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JPRS Report

East Europe

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JPRS EER-88-037

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POLAND

Party Activities Calendar 15-28 February 1988

26000245b Warsaw ZYCIE PARTII in Polish No 5,
9 Mar 88 p 21

[Unattributed article: "Party Chronicle: 15-28 February 88"]

[Text] Conferences and Meetings:

15 February

—The Culture Commission under the Central Committee examined the preparations for cultural activities during the second stage of the economic reform. Its deliberations were attended by Central Committee Secretary Andrzej Wasilewski.

16 February

—Politburo Member Prime Minister Zbigniew Messner toured the Sosnowiec FAKOP Factory where he discussed the program for implementing the second stage of the economic reform with work force representatives and the aktiv of other Sosnowiec plants. The Prime Minister was accompanied by Alternate Member of the Politburo and First Secretary of the Katowice Voivodship PZPR Committee Manfred Gorywoda.

18 February

—The Commission for Agriculture, Food Industry, and Forestry under the Central Committee discussed problems of land use and changes in the agrarian structure of agriculture. It also examined a draft decree on forests and forest management. Its deliberations were chaired by Alternate Member of the Politburo and Central Committee Secretary Zbigniew Michalek.

20 February

—The Commission for Proposals, Complaints, and Signals from the Population under the Central Committee evaluated during a 2-day field session in Lodz the state of health care for working people in that city. Its deliberations were chaired by Politburo Member Alfred Miodowicz.

—At the Office of the Council of Ministers was held a meeting with representatives of workforce self-governments at state enterprises, hosted by First Central Committee Secretary and Chairman of the Council of State Wojciech Jaruzelski. It was chaired by Prime Minister Zbigniew Messner and attended by Politburo Member and Central Committee Secretary Marian Wozniak.

22 February

—The Commission for Science and Education under the Central Committee held a session on changes in the financial system of schools and higher educational institutions. Its deliberations were chaired by Politburo Member and Central Committee Secretary Tadeusz Porebski.

—Politburo Member and Central Committee Secretary Jozef Czyrek met in Skierniewice with the Executive Board of the Skierniewice Voivodship PZPR Committee to discuss the premises for economic growth under the second stage of the economic reform.

23 February

—Members of the party leadership met with plant workforces and discussed with their aktiv the application of rules of the second stage of the economic reform. The following attended these meetings: Jozef Baryla, at the Plywood and Chemical Lumber Treatment Works and the Bydgoszcz ELTRA Plant; Jozef Czyrek, at the OMIG Radio Components Plant; Wlodzimierz Mokrzydzak, at the plenum of the Gdansk Voivodship Party Control and Audit Commission; Zygmunt Muranski, at the ZYGMUNT Iron and Steel Plant in Bytom; Tadeusz Porebski, at the Institute of Precision Mechanics in Warsaw; Zofia Stepien, at the Metallurgical Construction and Assembly Enterprise No 2 in Czestochowa; Marian Wozniak, at Belchatow and the Piotrkow SIG-MATEX Knitwear Industry Works; Janusz Kubasiewicz, at the Mazowsze Prefabricated Construction Plant in Pruszkow; Zbigniew Michalek, in Ciechanow Voivodship; Gabriela Rembisz, at the Poznan POWOGAZ; Stanislaw Ciosek, at the Warsaw PONAR-AVIA Precision Machine Tools Factory; and Kazimierz Cypryński, at the Bialystok FASTY.

24 February

—The Ideology Commission under the Central Committee discussed the initial premises of the Third National Party Conference on Ideology and Theory. Its session was chaired by Henryk Bednarski, and Politburo Member and Central Committee Secretary Jozef Czyrek took part in the discussion.

—Politburo Member and Central Committee Secretary Tadeusz Porebski met with chairmen of the party task forces for the social sciences under the Science, Education, and Technical-Scientific Progress Department of the PZPR Central Committee. Aspects of planning research into the social sciences were discussed.

25 February

—At the Ministry of National Education was held a plant party conference attended by Politburo Member and Central Committee Secretary Tadeusz Porebski.

At Party Echelons and Organizations:

18 February

—Politburo Member and Central Committee Secretary Jozef Czyrek met with the party aktiv of Rzeszow Voivodship. Party tasks during the current stage of the economic reform were discussed. A. Czyrek also attended a reports meeting at his branch party organization at the Rzeszow Voivodship Transportation Equipment Plant.

—Politburo Member and Minister of Foreign Affairs Marian Orzechowski took part in the reports meeting of his party organization at the LUBIN Copper Mine. M. Orzechowski also met with the heads of the Legnica Voivodship PZPR Committee.

19 February

—In the Congress Hall of the Palace of Culture and Art the Executive Board of the Warsaw Voivodship PZPR Committee met with first secretaries of the party organizations of Warsaw City and Voivodship. The meeting, chaired by Alternate Member of the Politburo and First Secretary of the Warsaw Voivodship PZPR Committee Janusz Kuchawicz, was attended by the Politburo members Prime Minister Zbigniew Messner, Central Committee Secretary Jozef Baryla and CKKR [Central Party Control and Audit Commission] Chairman Wlodzimierz Mokrzyszczak. Also present were the Central Committee department directors Stanislaw Gabrielski, Kazimierz Grzesiak, Marek Holdakowski, and Slawomir Tabkowski.

—The Zielona Gora Voivodship PZPR Committee discussed the conditions for introducing the second stage of the economic reform in the voivodship. The deliberations were attended by Politburo Member and Central Committee Secretary Marian Wozniak.

20 February

—The Elblag Voivodship PZPR Committee discussed tasks of the party aktiv in improving the performance of basic party organizations. Its deliberations were attended by Member of the Central Committee Politburo and CKKR Chairman Wlodzimierz Mokrzyszczak.

—The Leszno Voivodship PZPR Committee discussed party tasks in accelerating the economic reform in the sociopolitical domain.

25 February

—The Lodz Voivodship PZPR Committee discussed the economic situation of the urban area's light industry.

—The Walbrzych Voivodship PZPR Committee devoted its session to new methods of party work in the new conditions of economic management. Its deliberations were attended by Director of the Socioeconomic Policy Department of the PZPR Central Committee Marek Holdakowski.

26 February

—The Kielce Voivodship PZPR Committee discussed problems of ideological-political work following the Sixth PZPR Central Committee Plenum. Its deliberations were attended by Director of the Ideology Department of the PZPR Central Committee Andrzej Czyz.

—Politburo Member and Central Committee Secretary Tadeusz Porebski toured the PAFWAG Railroad Factory in Wroclaw, attending the reports conference of the plant party organization.

—Central Committee Politburo Member and Minister of National Defense Florian Siwicki paid a visit to 1 "Warsaw" Airforce Fighter Regiment of the OPK [National Air Defense], where he took part in the reports meeting of his branch party organization.

27 February

—Politburo Member and Central Committee Secretary Tadeusz Porebski took part in a plenary meeting of the university party committee at the Warsaw Polytechnic.

Interparty Cooperation

17 February

—Politburo Member and Central Committee Secretary Jozef Czyrek received the Director of the Science, Education, and Culture Department of the Hungarian Socialist Workers Party, Katalin Radics, heading a delegation from his department which was touring Poland. Experience in forms and methods of party work in the cultural and educational communities was discussed. The meeting was attended by PZPR department directors Boguslaw Kedzia and Tadeusz Sawic.

—The GDR was visited by a delegation of the Academy of Social Sciences under the PZPR Central Committee, together with its Rector Jarema Maciszewski. During the talks at the SED Higher Party School in Berlin information and experience in training party cadres was exchanged.

22 February

—Central Committee Secretary Kazimierz Cypriniak received a delegation of the Voronezh Oblast CPSU Committee headed by Member of the CPSU Central Audit Commission and First Secretary of the Oblast

CPSU Committee Gennadiy Kabasin, during its visit to Poland at the invitation of the Gorzow Wielkopolski Voivodship PZPR Committee.

19-21 February

—In Madrid deliberated the 12th Congress of the Spanish CP (CPE). The Congress was attended by a PZPR delegation headed by Central Committee Secretary Andrzej Wasilewski.

24 February

—A working visit to Moscow was paid by a delegation of the Culture Department of the PZPR Central Committee headed by Deputy Department Director Adam Kaczmarek.

24-26 February

—A working visit to Moscow as paid by Member of the PZPR Central Committee and Director of the Personnel Policy Department of the PZPR Central Committee Jerzy Swiderski. J. Swiderski was received by CPSU Central Committee Secretary V. Medvedev.

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POLITYKA Weekly News Roundup

13 February 1988

26000187c Warsaw *POLITYKA* in Polish No 7,
13 Feb 88 p 2

[Excerpts]

National News

Milosz Jakesz, general secretary of the Central Committee of the Communist Party of Czechoslovakia visited Poland.

We also received John C. Whitehead, assistant secretary of state from the United States. At a press conference he said, among other things, that Poland's receiving new credits depends on progress in negotiations with the IMF. He thinks positively of the principles of the economic reform which "in liberating social involvement should produce the expected results." He confirmed that one of the subjects of his Warsaw talks was the Jaruzelski Plan, "an initiative gaining increasing understanding and support."

Conservation activities were the subject of a meeting of the Politburo of the PZPR Central Committee. Civic action has led to a reduction in official passenger cars of about 3,500, in official buses of 120, and in official telephones of 6,000. As a result of the certification of job positions, the party has been reduced by 800 fulltime positions. The number of passenger cars and drivers in voivodship committees has been reduced by 13 percent.

At this meeting of the Politburo attention was also drawn to drunkenness in factories; last year nearly 60,000 workers who drank at work or attempted to enter the factory while intoxicated were caught. "The scale of these phenomena requires us to reply more emphatically, by sharpening sanctions. We cannot accept the trade unions, workers' self-managements, and also the party organizations coming forward in defense of drunks."

From the press conference of the government press officer, Minister J. Urban. In a debate with information from Radio Free Europe, that the government apparatus had received a pay increase of 70 percent: "Pay increases for management personnel are not anticipated in the near future; the issue is not even being considered in spite of the fact that the apparatus of the Central Committee has been reduced by 20 percent and the central administration by one-third. The state leadership, the ministers are at the end of the line for pay raises. Also, no decision has been made on pay increases for lower level party officials. It is anticipated, however, that there will be pay increases for employees in the state administration. Its scale will be more or less that of the average scale of pay increases planned for workers paid from the state budget." What are the former employees of the central administration doing? Among the more than 6,000 employed in former ministries 2,600 individuals either already work or will move in the near future to newly formed ones; about 900 individuals have taken work outside of the central administration. Altogether about 600 individuals have retired. About 300 individuals dissolved their employment relationship, because they are undertaking, for example, independent economic activity. About 1,600 individuals have not yet decided or have not received offers they liked.

On the price front. The Bureau of Foreign Tourism of the Polish Tourist and Local Studies Society announced that during the current season tours and stays in socialist countries will be 50 percent more expensive on the average (among other things the exchange rate for the ruble has risen from 140 to 170 zloty) and we will pay 20 percent more on the average for trips to countries in the second payments area. The new tariffs for mail and telecommunications have been announced. A regular letter will cost 15 zloty (previously, 10), an express letter 60 zloty (previously 55), a package to 2 kg 100 zloty (previously 30). Installation of a telephone will cost 50,000 zloty (previously 36,000). Monthly service will be 120 zloty, previously 200, but each call will cost 6 zloty instead of 4. International service remains unchanged. From 1 March the price for local mass transportation in Warsaw: regular 15 zloty (now 9), express 45 zloty (27), night 90 zloty (36 at present). Taxis will cost 150 zloty for the first kilometer, 50 for each successive one; at night and on holidays they will be 50 percent more expensive. On the first market Wednesday after the increases, a reporter for TRYBUNA LUDU noted these prices: pork roast, 1,400 zloty; boneless beef, 1,000 zloty (near our editorial offices a delivery seller offered 1,300

zloty per kg), beef with a bone 500-700 zloty. Airplane tickets for flights to the socialist countries increased by 30 percent.

In PRAWO I ZYCIE the employees of the Institute of Criminal Law of Warsaw University commented on the subject of the death penalty. "In taking a position in the discussion on the death penalty, we wish to take a clear position in favor of ending it."

The Ombudsman for Citizens' Rights, Prof Ewa Letowska applied to the Sejm Presidium for the repeal of one of the articles of the law of 1985 that declared rights to compensation for land, buildings, etc., real estate in Warsaw, taken by the state to have expired. The Ombudsman judged the current measures to be faulty, in conflict with the principles of social life, and arousing social disapproval.

Polish tests for detecting AIDS will be produced by the enterprise Polish Chemical Reagents in Gliwice in cooperation with the American company Abbott. The tests will be of the highest quality and will meet the needs of our health service. For now they will consist of our packaging and one component sulfuric acid.

Two militia functionaries from Sopot, Miroslaw Koscianski and Henryk Piec have been sentenced, respectively to 3 years and 6 months imprisonment and a 1.2 million zloty fine and 2 years and 6 months imprisonment and 430,000 zloty fine because in exchange for not performing service functions they accepted bribes from women employed in illegal activities. The verdict is not yet valid.

News From Abroad

Prof Jozef Gierowski, a member of the Consultative Council of the office of the chairman of the Council of State, announced to the participants in the international conference in Jerusalem "History and Culture of Polish Jews" that he had been authorized to communicate the enunciations of the Polish political authorities that in 1967-68 political mistakes had been made that violated the Polish tradition of tolerance and the principles of marxist ideology. The enunciation is to contain, as Prof Gierowski confirmed, a condemnation of all forms of antisemitism and discrimination.

On the Left

In a statement published in Moscow, Mikhail Gorbachev announced that the USSR will begin withdrawing its forces from Afghanistan on 15 May 1988 and complete the withdrawal within 10 months. Nikolai Bucharin and Aleksei Rykov have been rehabilitated. The Supreme Court of the USSR upheld an appeal by the general prosecutor and overturned a sentence of March 1938 against Bucharin, Rykov, and 18 others on charges that "on the orders of intelligence services unfriendly to the USSR they formed conspiracy groups to overthrow

the order and also conducted diversionary, terrorist activities." The court confirmed that during the investigation socialist legality was violated, that falsifications were allowed, and that with the aid of unacceptable methods confessions of guilt were forced. Before his arrest, Bucharin was a member of the Politburo of the All-Union Communist Party (Bolsheviks) and chairman of the Socialist International; Rykov was chairman of the Council of People's Commissars; both were shot; others from this group: Arkadii Rozenholz, was director of the People's Commissariat for Foreign Trade; Michail Chernov, People's Commissar for Agriculture; Christian Rakovski (a Bulgarian) was Soviet ambassador to France; Pavel Bulanov, a secretary of the NKVD; Veniamin Maksimov-Dikovskii, a worker of the People's Commissariat for Transportation; Lev Levin, a Kremlin doctor; Ignatii Kazakov, a director of the Institute for Material Processing; Piotr Kriuchkov, Gorki's personal secretary.

F. Snegirev, a veteran from Kiev, in an appeal published in the weekly Ogoniok called for the withdrawal of the book "Little Land" by Leonid Brezhnev: "Why was this book published? In order to celebrate the soldiers who fought in the Little Land? It aimed to celebrate Leonid Brezhnev, to promote his cult. I propose 'Little Land' be published again but that the real heroes come to life. It is generally known that Brezhnev is not its author and that he was never an outstanding writer."

Last year, Hungary's deficit in its balance of payments was \$900 million, or more than \$500 less than in 1986 thanks to larger exports to the West and a record income from foreign tourism. In 1987, 19 million people visited Hungary from abroad, or more than 14 percent more than the previous year. Foreign tourists spent the equivalent of 290 million transfer rubles and \$385 million. Last year Hungary paid off \$1.5 billion of its debt and \$900 million in interest, but foreign indebtedness rose to \$17 billion, among other things, because of new credits from the FRG, Switzerland, Japan, and international financial institutions.

Twenty years after the crisis of the "Prague Spring", RUDE PRAWO admits that young people do not believe and are sceptical; the journal seems to agree with the judgment of its reader that reduces the cause almost exclusively to the fact that older people complain about young people for wrongs and misdeeds which they were not spared: "I work with young people, I help them orient themselves toward the events of 20 years ago and things surrounding the transformation. We speak most of all about openness, democracy. The young, chiefly under the influence of their parents, are suspicious. Their scepticism is striking to me. In frank conversation they tell me that transformation is only a word, the latest fashion. It is as if some parents were waiting; we will see how things end."

The weekly of the Union of Czech Writers included fragments of "Doctor Zhivago" by Boris Pasternak; in

the same number Radko Pytlík, a literary historian, writes about the stagnation of culture in Czechoslovakia. "Repentance" by Tengiz Abuladze is now showing in theaters.

The Agrokomerc Agriculture and Industrial Works in Bosnia, the author of the greatest financial scandal in postwar Yugoslavia, will not be declared bankrupt. The Skupština of Bosnia and Herzegovina has decided to cover the losses of the firm. The republic parliament has adopted a program according to which Agrokomerc's bills of exchange for nearly \$900 million will be covered over a period of 6 years. Funds for this purpose will be generated through a higher income tax.

Opinions

Andrzej Dorosz, deputy minister of finance:

[Answer]...Please look how much can be achieved by a relatively simple operation. Since we all accept Pewex stores, with the exception of Polish goods in these stores, this means that nearly all of us also accept a different price structure and supply structure of goods in domestic trade than the one in zloty. If the Baltona and Pewex stores were recalculated in black market prices and sales for zloty were introduced with a broadened purchase of bony we receive a new segment of luxury goods sold at equilibrium prices. However, everyone earning income in foreign convertible currencies wishing to buy things in these stores in order to have zloty would have to sell convertible currency to the state. This seems to be a relatively simple way of improving the market situation. It is probably most troublesome because of psychological reasons. Chocolate for 1,000 zloty per bar at bazaars is generally accepted; this same chocolate in a Pewex costs 80 to 90 cents, and we do not want to accept the fact that chocolate in a store could cost 800 to 900 zloty and that everyone who has zloty can buy it. The authorities give in to such pressures and thus we will have to wait for such measures.

(Interviewed by Jacek Pawloris, REPORTER, No 1)

Andrzej Szpringer, first secretary of the Lublin PZPR Voivodship Committee:

"...I share the opinion that empty words are among the greatest faults of our socio-political life. The most important voivodship groups frequently discuss this: the executive committee, the voivod's collegium, the voivodship council of PRON, the presidiums of the national councils, other civic organizations, and advisory bodies. Frequently they meet only to form another citation, usually some commission, to solve the problem. These groups frequently consist of the same people. One day they appear as party members, then as deputy voivods or chairmen, at other times as honorary members. We waste time on apparent movement."

(KURIER LUBELSKI 15-17 January 1988)

(The opinions and views cited in this section are not always in agreement with the views of the editors.)

5 March 1988

26000244a Warsaw POLITYKA in Polish No 10,
5 Mar 88 p 2

[Excerpts]

National News

Mikhail Gorbachev at the beginning of the summer will pay an official, fraternal visit to Poland, and in the spring Premier Zbigniew Messner will visit the Soviet Union. Stefan Staniszewski, director of the Press and Information Department of the Ministry of Foreign Affairs, announced these visits. At this press conference he also responded to a question from correspondents, among others: "Why unlike so many other areas of life in Poland, does one not see articles in the press critical of Polish foreign policy?" (FAZ). "This indicates that Polish foreign policy has the support of all of society," replied the spokesman of the Ministry for Foreign Affairs. The spokesman also announced in response to other questions about the estimated numbers of Polish ethnic groups: the largest is in the United States, about 10 million; in Brazil, France, and the FRG, about 800,000 each; in Canada 400,000; and in Australia, 150,000.

The press conference of the government spokesman last week aroused great emotions. It was dominated by information about economic emigration from Poland and about wage increases for the health service. In 1983-87, 58,500 individuals emigrated from Poland, including about 5,000 specialists with higher educations. About 117,000 individuals left for periods of time and changed their stay to permanent residence, including 16,500 with higher education. In all then in the course of 5 years, we lost 21,500 individuals with higher education, including about 8,000 engineers and more than 2,000 doctors. The training of an engineer costs about 3.5 million zloty, of a doctor about 4.5 million zloty. The losses resulting from the costs of training these individuals with higher education, who have emigrated or changed their stay to permanent residence and will not return, the spokesman estimated at hundreds of billions of zloty. "The Polish authorities declare," Minister Urban said, "that leaving the country only for better earnings is not a civic attitude, causes damages and losses for our national collectivity." The spokesman was critical of the way the health ministry announced the wage increases in the ministry of an average of 14,900 zloty per person. The increase "was not announced accurately and explained in detail. This caused the opposite reaction in the community from the expected one. Those for whom the highest percentage increases were anticipated, about 66 percent given a national average of 36 percent, now show the greatest dissatisfaction with the wage increases. This is what poor public

relations cause." A few days after the conference, representatives of the ministry of health explained the principles behind the increases more broadly on television.

A fund for the Zamojski Academy has been formed; its purpose is to develop different forms of civic training based on the ideas and traditions of the Zamojski Academy and the reconstruction of its building. Jan Zamoyski, a descendent of the founder of the Academy, took part in the ceremonies.

Deputies unanimously decided to return to the government a proposed Sejm resolution on goods and services subject to official prices.

How do we judge the Militia? According to a survey of the Public Opinion Research Center: positively, 7.7 percent, rather positively, 37.2 percent; 31 percent no opinion; 16.9 percent rather negatively; and decidedly negatively, 5.1 percent.

In Dzierzoniow, 176 people got salmonella poisoning after eating infected pastries; 79 of them were hospitalized.

The Bierut Steelworks will pay nearly 38 million zloty for environmental pollution this year. This was the decision of the Chief Administrative Court in case of "wastes." The penalty will be deducted from the enterprise's profits.

The Club for Film Critics of the journalists' society judged "Internal Life" by Mark Koterski (theater films), "The Great Race" by Jerzy Domaradzki (television films), and "Repentance" by Tengiz Abuladze (foreign films) as the best films shown in Poland last year.

Beginning 1 March 1988, we will buy chocolate products without ration cards. Only meat and meat products and gasoline will continue to be rationed.

Payments for preschools have risen to 20 percent of the income per family member, but not more than 7,500 zloty. The previous rate was 1,270 zloty.

Who's who. The new Slupsk Voivod is Jan Ryszard Kurylczyk (age 43), a construction engineer, party activist, recently deputy director of the power plant Zarnowiec.

Died, Stanislaw Galecki (age 56) party activist. Henryk Zygmunt Ostrowski (age 77) former minister of heavy industry (1960-65). Mieczyslaw Milecki (age 81), actor, soldier in the Home Army, participant in the Warsaw Uprising.

On the Left

The USSR has begun withdrawing short-range rockets from the GDR and the CSSR.

At the Mitinski Cemetery, not far from Moscow, a monument to the victims of the Chernobyl disaster will be erected.

After the ethnic disturbances in Azerbaijan and Armenia, two candidate members of the CPSU Politburo, Georgiy Razumovski and Piotr Demichev, arrived in Stepanakert. They warned of the serious consequences the wave of Armenian nationalism could cause if quick action is not taken. A revision of the existing ethnic and territorial order contradicts the interests of the working people in Armenia and Azerbaijan and threatens the relations between ethnic groups.

The press spokesman for the Ministry of Foreign Affairs of the USSR, G. Gerasimov: "In the Soviet Union the understanding and support for the declaration by M. Gorbachev on Afghanistan and the initiatives in it in Egypt, Saudi Arabia, Kuwait, and Nigeria is cause for satisfaction. Serious, realistic positions were expressed in declarations by representatives of the Ministries of Foreign Affairs of Iraq and Turkey.... On the other hand, Zain Noorani, the minister of state for Pakistan, attempted to distort the declaration of the General-Secretary of the CPSU Central Committee, seeing in it an "ultimatum."

How much does the premier of Hungary earn? He receives 28,857 forints monthly; a minister earns 23,217 forints (the average wage in Hungary is about 6,500 forints). Members of the government and their families have the right to be treated in the so-called central state hospital. They also have official vehicles at their disposal; a minister and secretary of state have Mercedes, deputy ministers have Lada 1500's. Former members of the government also have the right to use official vehicles, but they can only travel a maximum of 3,000 km annually. Members of the government are not allowed to perform any additional work. They also do not receive any remuneration for activities associated with their positions, for example, for interviews, articles written, etc. They can receive money only for scholarly work.

Sergo Mikoyan (son of Anastasa), a doctor of history, has written an article on Beria. Among other things, it says: "The court case for Beria was quick. Perhaps, too quick. It was probably imperative to force him to talk about many things, which would make the historians' work today much easier.... Sometimes the question arises: why bring up the specter of the past? The answer is unequivocal: one needs to know the past. In part so that the future can finally free itself from the past."

In conjunction with the campaign to gather signatures on the issue of state-church relations, RUDE PRAVO has written that "today representatives of the state and church agree that all the real problems can be resolved at the conference table. Thus, it is no accident in these circumstances that influential forces have become active abroad to which certain individuals in the CSSR added

their voice, sounding the alarm in the face of positive signs and making every effort to hamper favorable developments in relations and a realistic resolution of the problems."

The Hungarian trade unions announced that they oppose further price increases in 1988.

12 March 1988

26000209 Warsaw POLITYKA in Polish No 11,
12 Mar 88 p 2

[Excerpts]

National News

The day before Women's Day, the members of the PZPR leadership visited factories in which women make up a majority of the employees. They took an interest in working conditions and social issues.

The Politburo of the PZPR Central Committee evaluated the performance of tasks associated with the second stage of the economic reform planned for February; it also discussed agriculture issues. A few sentences from the communique: Blatant cases of violation of the established indices for increases in market prices reported by citizens require decisive counteraction. Reports of some managements yielding to pay demands raised without regard to the economic situation of their plant or not justified by increased production, labor productivity, conservation of raw materials, materials, or energy, or the improved quality and usefulness of their products are also disturbing. The Politburo also negatively judged the method of preparing and implementing pay raises in the health service. It caused dissatisfaction among its employees, in spite of the fact that several billion zloty from the state budget were earmarked for this purpose. The surface area per inhabitant in Poland is systematically declining: 75 percent of the total agricultural lands have poor or average soils. Nearly 15 percent of the lands belonging to private farmers is not being used at the level of its potential. Every fourth private farmer, in spite of having reached retirement age, is still running a farm. We must systematically strive to increase the area of private farms that have high production levels, to energetically unify and exchange lands, and simplify the formal requirements in the market for land.

The Federation of Consumers announced to journalists that in its opinion the series of price increases have not, so far, accomplished any important goals in economic policy and as a result was sceptical of changes in the program for implementing the second stage of the reform.

The meeting of the deputy premiers of Czechoslovakia, the GDR, and Poland was devoted to environmental protection. They were in the Karkonosze and Izerskie Mountains in order to see the devastating effects of atmospheric pollution on the mountain forests in person.

The general prosecutor withdrew its legal query addressed to the Supreme Court but put forward a proposal to the Commission for Reform of the Criminal Code that it discuss in detail a legal problem that raises doubts among practitioners. The question concerns journalistic secrets and a prosecutor's or a court's ability to overturn it. The query addressed to the Supreme Court raised concern among journalists.

From the press conference by the government spokesman. On the trip abroad by Lech Walesa and others to the congress of the International Confederation of Free Trade Unions. It is a question of a trip by a Polish delegation of a trade union that was dissolved a few years ago and has legally ceased to exist and participation in the congress of a body that does not recognize the legally existing unions in Poland that have more than 7 million members. "The trip by Lech Walesa and his colleagues and their participation in the Australian congress would be contradictory with the basic political interests of the PRL, it would be a mockery of our legal order." Two journalists Mariusz Dastych and Tadeusz Podwysocki of RZECZPOSPOLITA accused of spying, were sentenced by the Military Court: Dastych for spying to 8 years imprisonment, 6 years without civic rights, a 300,000 zloty fine, and loss of property. Podwysocki, who according to the court was not aware that the material handed over served intelligence purposes, was sentenced to 18 months imprisonment, a 200,000 zloty fine, and prohibited from working as a journalist for two years and has to return the illegally acquired convertible currency. On the question of responsibility for the crimes in Katyn: "The Katyn case, like many other painful issues, can be explained in the course of Polish-Soviet talks, the next round of which have begun in Warsaw. If there is some new evidence or documents in this case, then obviously historical knowledge on this subject, previously published in a varied manner, can be revised. Please understand, however, that these are not issues for some spectacular gesture, and above all this is a question for tedious research in archives in order to establish the truth."

The rail disaster in Leszno (a head-on collision of two trains) injured 49 individuals of whom 13 required hospitalization.

On the Left

The Hungarians are trying to obtain a new loan from the IMF of \$350 million. The net debt of Hungary, in convertible currency, was \$10.9 billion last year, and the total debt was \$17.1 billion.

Following one of Stalin, LITERATURNAYA GAZETA has published the next, political portrait of a Soviet leader, Nikita Khrushchev. The author is Fiodor Burlatski, who at the time had constant contact with Khrushchev and accompanied him on various foreign trips and was a witness to many of his talks.

Romania has not agreed to an extension of the most-favored nation clause with the Jackson-Vanik amendment in its relations with the United States. The Jackson-Vanik amendment "made annual recognition of the clause dependent on meeting a series of political requirements that constitute an unacceptable intervention in the internal affairs of Romania and are not in any way associated with commercial relations between Romania and the United States."

In Romania, the introduction of changes in the criminal code have been announced: moderating some sanctions and limiting the death penalty to exceptional cases.

In Hungary, a joint venture is to be formed that will annually produce 50,000 to 60,000 Suzuki Altos with a displacement of 750 cm³. If the undertaking is successful, production of one of this firm's larger vehicles is contemplated, 50,000 units. The Japanese want to export half of these vehicles to Western Europe.

From an appeal by M. Gorbachev to "the working people and nations of Azerbaijan and Armenia": "No mother will agree to let ethnic quarrels threaten her children and replace bonds of friendship, equality, and mutual help.... The most important thing now is to concentrate on overcoming the situation that has developed, on solving concrete economic, social, ecological and other problems that have multiplied in Azerbaijan and Armenia, resolving them in the spirit of perestroika.... You know that there is an intention to devote the deliberations of a plenum of the central committee to the development of relations between ethnic groups. We must analyze a broad range of issues in this most important area of our social life...and lay out paths for concrete solutions for social, economic, cultural, and other problems. We have a common history.... We are occupied with the great task of perestroika, on the success of which the fate of socialism, our fatherland, and each of us depends."

Opinions

Prof Dr Andrzej Garlicki, chairman of the History Department at Warsaw University:

[Answer]... we propose first to place flowers in front of the mentioned plaque and then to hold a public session on the March events...placing those flowers does not at all denote identification with the organizers of the demonstration of 8 March 1968 or with the slogans raised at that time. That belongs to history. In making this symbolic gesture we are rejecting a certain type of manipulation of society, including the academic community, a type exemplified by March. We also condemn the practices used then, which it is difficult not to call dishonorable. Simultaneously we are for certain general ethical values, including not using brutal force in situations in which it is in no way justified. And this is how it was 20 years ago. We also declare ourselves as supporters of

university autonomy, without which there can be no talk of the free development of science and the training character of the didactic process.

One must be naive or simply possessed of ill will in order not to notice the intentions of the celebrations. Always in such cases it is a question of symbolic honoring of general values, not of concrete slogans or programs located in historical reality. Honoring, for example, the soldiers of the November, January, or Warsaw Uprisings we are not supporting the specific vision of Poland for which they fought. We are interested in general values, for example, patriotism, a soldier offering his blood for his country. This should be clear. If those on whose graves we place wreaths on 11 November could rise, they would surely attack each other. And so? Are we to continue living their debates? Honor Danzinski or Dmowski and condemn Pilsudski or Witos? That would be comical. The case of March is similar.

(Interview with Tomasz Nalecz, KULTURA, 2 March 1988)

Prof Dr Wacław Wilczynski, director of the Institute of Political Economy at the Economics Academy in Poznań:

[Answer]...perhaps it would be possible simply to return the appropriate prestige to the law on nationalization of 3 January 1946 which was never annulled, although it was limited secondary law, legal acts of a lower order. In the law of 1946 there was a regulation that in Poland private enterprises are permitted to operate that employ less than 50 persons on one shift....

[Question] Fifty employees on one shift, 100 on two, 150 on three. Is that still socialism, or perhaps not?

[Answer] It is precisely, among other things, thinking in this type of categories that led the Stalinist system, pretending to be socialism, to where we are now. Thus, if we are to speak of authentic reform, of overcoming the crisis, we must, and immediately, cease similar discussions that produce nothing new and cause obvious social damages.

(Interview with Piotr Gabryel, WPROST, 7 February 1988)

Janusz Janicki and Mieczysław Jaworski:

"We must remember as a warning and not as a personal vendetta. This applies to all sides of the March harricades. Time has revised many attitudes. Some individuals who made mistakes have understood by whom and for what purposes attempts were made to use them, have passed a difficult exam in the period of attacks on the PZPR, on socialism. Others have gone over to the opposing camp. The tendencies and divisions that

appeared in the party then now belong to history. People today must be judged exclusively according to their current attitudes and actions."

(From an article titled "March 68," TRYBUNA LUDU, 2 March 1988)

Bulat Okudzhava:

[Answer] "I also am not fond of interviews. In general they are banal and false. And if a true one happens then it causes trouble. Three years ago I gave POLITYKA an interview and then got it (thoroughly) on the head.... Basically there were two issues. The first touched on my answer to a question about my relation to my country. I heard that as a citizen of the USSR I should not say that Poland was and is a buffer between Germany and the Soviet Union. I asked: in your opinion, is it? It is, they answered, but one should not speak of this so clearly. The second disputed question resulted from my saying that if I had lived in the last century, I would have wanted to be a rich landowner, like Pushkin, Lermontov, Tolstoy, and many other outstanding writers. It turned out that among the higher officials of the time, that they were not good models, and a Soviet writer should not refer to them.

[Question] I understand your worry, but we are speaking of the reality of three years ago. Now things are different.

[Answer] Perhaps things will be different.

(Interview with Malgorzata Terlecka, DZIENNIK POJEZIERZA, 27-29 February 1988)

Gen Franciszek Kaminski, former chief commander of the Peasants' Battalions and 15 other officers of the Home Army and the Peasants' Battalions:

In TRYBUNA LUDU, no 296, 18 December 1987, there were obituaries to the memory of Stanislaw Radkiewicz, the deceased former minister of public security. In view of the dishonor and damage St. Radkiewicz's activities, while he was performing the duties of the high office, caused the people, the violations of the law, and the uncountable wrongs and human tragedies, he was not only condemned by all of society but also by the Polish United Workers' Party.

Thus, the appearance of obituaries in the organ of the PZPR and the description of St. Radkiewicz's activities in them as patriotic caused general social repugnance and protests especially among former fighters for one of the obituaries was signed by the Executive Board of the Union of Fighters for Freedom and Democracy.

Individuals repressed at one time by the security authorities under St. Radkiewicz and families of the murdered, the victims of the Ministry of Public Security, who were rehabilitated after their death, also belong to the Union of Fighters.

We believe that the appearance of these obituaries in a party organ shows total contempt for the atmosphere that exists in our society, which has never resigned from the appropriate illumination of the Stalinist period and of the people responsible for that period and for which St. Radkiewicz is a symbol of Stalinism."

(Letter printed in PRZEGLAD TYGODNIOWY, 6 March 1988)

19 March 1988

26000220 Warsaw POLITYKA in Polish No 12,
19 Mar 88 p 2

[Excerpts]

National News

For the first time since the Second World War the city councils of Gzysko and Glogow have failed to adopt the budgets of these cities for 1988. In both cases the anticipated income will not cover the performance of the essential tasks.

The weekly ARGUMENTY has begun to publish Orwell's novel "1984," and KONFRONTACJE already in the second issue is publishing Orwell's "Animal Farm." The State Publishing Institute is preparing a book edition of "1984."

TRYBUNA LUDU has published documentation from the history of blanking out of blank spaces (12-13 March 1988). Among other things, it included a fragment of an interview with Yuriy Afanasev for POLITYKA (No 40, 1987).

In an interview with ABC Television, John Davis, American ambassador to Poland, said, among other things: "For some time now we have followed a policy of gradually improving our relations with Poland. As you know, a few months ago Vice-President Bush was in Poland. Assistant Secretary of State John Whitehead has also visited twice; and a number of senators and congressmen have also come. I believe, that the turning point in our relations after the very bad period that followed the introduction of martial law in 1981 was the amnesty announced in 1986. All of the leaders of Solidarity were freed and remain free. They come to lunch and express themselves freely. The press publishes interviews with them. The climate has changed significantly and as these gradual changes occur, we change our policy."

Vice-President Bush sent Jan Pietrzak of the cabinet "Under Sponsorship" a congratulatory note on the occasion of his 50th birthday: "With your humor you affect Poland, the United States, and the world in a unique way."

The Public Opinion Research Center of radio and television shows a decline in the interest in programs from Western broadcasting services after the ending of jamming. In February 1988, 15 percent of the respondents said they listened to broadcasts of the Voice of America, while a year earlier 18 percent did. The number of listeners for the BBC declined from 12 to 11 percent and for Vatican Radio, from 8 to 5 percent.

Three functionaries of the Security Service in Strzelce Krajeńskie were given a suspended sentence of imprisonment (from one year to 10 months) and payment of exemplary damages for public purposes. The defendants did not admit guilt. The sentence is not final.

The Wrangler company has sued Edward D., who illegally used the trademark of this company on his products. The court forbade him to use the trademark, ordered its removal from finished products, and the publication of the decision in *ZYCIE WARSZAWY*. The Supreme Court refused an appeal by Edward D.

The constitutional Tribunal has decreed in a case brought by the agricultural organizations that Resolution No 108 of the Council of Ministers of July 1987 is unconstitutional and infringes on the constitutional principle of social justice. Remember the resolution concerns limitations in supplies of heating fuels for certain groups of farmers and horticulturalists.

From statistics for Lodz: In 1987 the residents of the Lodz Voivodship spent 30 billion zloty for alcohol (in socialized stores) and 64.5 billion zloty for food. A contribution to the model of consumption and to calculations of the cost of living.

At an auction in Krakow, the highest price was for an incunabula "Hammer for a Sorcerer" (1.65 million zloty) purchased by the National Library.

A new off-road vehicle, the successor to the Tarpan has left the factory in Antoninek near Poznan. It has four-wheel drive, a capacity of 10 persons or one-ton, and a Polonaise engine (1500 cm³), and consumes 15 liters per 100 km.

The Primate's Social Council has published a document on the emigration of young Poles.

On the Left

From a radio interview with Hungarian Premier K. Gossz: In the middle of May there will be a party conference. Citizens have a right to know about everything happening in their country, what difficulties it is experiencing, etc. The authorities must be tolerant of correct criticism. There is not openness without limits. "I do not support openness that is exposed to the socialist order. Already today openness serves as camouflage for sharp attacks on Gypsies, for antisemitism. Fascist slogans have also appeared."

"How many individuals is the Soviet Union prepared to allow to emigrate?" the correspondent for *NEWSWEEK* asked J. Zheshotov, director of a department in the Soviet Ministry for Foreign Affairs. The answer: "At this moment we have 5,000 or 6,000 applications to emigrate that have not been processed. No one obviously can say with certainty that there will not be more, but we are not afraid of a huge wave of emigration. In our country there is a new atmosphere. And if these gigantic democratic changes get deeper, then people will have no cause for dissatisfaction."

In *PRAVDA* L. Pochivalov criticized the mania for hanging out slogans. "Some think that the more types of signs, slogans, and portraits they hang out, needed or not needed, the easier it will be to show diligence in front of their administrative superiors. Once, for example in the Rostov district, I was invited to a factory that distinguished itself from others by the forms of visual agitation used... Interestingly, nearby, on this same factory area crates with factory products, goods that could not be sold due to their poor quality were stacked..."

The TASS and KYODO press agencies conduct public opinion surveys on the attitude of citizens of the USSR toward Japan and of the Japanese toward the Soviet Union. Some answers: attitudes toward the USSR: sympathy, 18.0 percent, antipathy, 47 percent, attitudes toward Japan: sympathy, 88 percent, antipathy, 2 percent. Is information about the USSR in Japan sufficient? Yes, 10 percent; no, 62 percent. About Japan in the Soviet Union? Yes, 30 percent, no, 62 percent. In Japan, 62 percent of the respondents were in favor of developing economic relations, including forming joint ventures, in the Soviet Union, 96 percent.

In the Soviet Union, the state spends as much maintaining official vehicles as it costs to maintain the municipal transportation throughout the country (excluding taxis), i.e., buses, trolleys, streetcars, and subways. The number of chauffeurs driving official vehicles equals the number of drivers of buses and taxis. One must add to this the whole army of people who provide service and maintenance for the vehicles. "No other country in the world has such a number of official vehicles and such a mass of people servicing them," says L. Korchagin in the weekly *NEDEL'YA*.

The development of the private sector in China, at present 12 million various private plants, enterprises, and workshops are in operation that employ in all 10 million people. This number is 123 times larger than the number employed in the private sector in 1978 (150,000). And there are 283,000 private firms in operation that employ 3.46 million workers. The first class includes firms of single individuals or families, the second, those firms using wage labor.

Opinions

Franciszek Szlachetko, former minister of internal affairs.

"In the first half of the 1960's a small group of friends formed around Mieczyslaw Moczar, chiefly members of the Polish Workers' Party from the period of the occupation, soldiers and officers of the People's Guard and Army, in which Moczar was an outstanding leader. Now we were worried by the continuing stagnation. We noticed the lack of an attractive conception for the further development of Poland. We saw signs of ideological decay.... Who first gave us the name "Partisans" I do not know. Perhaps friends, perhaps foes.... We had no intention of taking power.... In 1967-68, we intensified our ideological and moral activities more clearly and perceptibly. The heart of these activities was the defense of the honor of the nation and tradition and respect for service to the fatherland. There were several reasons. The first and most important one is connected with the increasing openness of ridicule deriding imponderabilia, mocking devotion, heroism, and service. They scorned dedication, faith in higher goals. They ridiculed the ideals of the common people.... I wondered whether Wladyslaw Gomulka feared Moczar and us Partisans. I do not know. Perhaps yes, perhaps not? I heard that when someone warned him, he was supposed to have said "bunk," but Gomulka moved Moczar from the Ministry of Internal Affairs to the Central Committee. This was supposedly an advancement, but it significantly limited his ability to act."

(From memoirs printed in ZYCIE LITERACKI, 6 March 1988)

Jerzy Pucula, chairman of the OPZZ Review Commission:

[Question] And now a joke: when will the OPZZ leave with its bags? When will it go bankrupt?

[Answer] We will not laugh, because it is a bad joke. This could actually happen. Income from dues, which are 1 zloty per member of a union associated in our federations produce little more than 10 percent of our budget. Income from economic activity, for example, from the Trade Union Publishing Institute, are beginning to be insufficient, everything is getting more expensive. Financial difficulties are getting worse. I know this from various signals, in the federations themselves.... We are conducting lively talks with the government....

[Question] It is a little unfair to take a subsidy from the government!

[Answer] Not subsidies. I did not say that. We want to obtain payment from the use and amortization of union property, managed by the government during the period when the trade union movement was suspended.

(Interviewed by Ryszard Naleszkiewicz, ZWIAZKO-WIEC, 13 March 1988)

Prof Dr Edmund Wnuk-Lipinski, sociologist:

"The claim that all of society is paying for the crisis is not only a banality but imprecise. On the basis of research, it is estimated that from 12 to 15 percent of the population in Poland is living practically outside of the crisis. This is a category of people whose material situation not only did not get worse but even improved. It is estimated that about 60 percent of the population has been heavily affected by the crisis. The rest have managed to protect the level of their consumption in various ways. Thus, not everyone is paying for the crisis they did not cause. The weakest groups in society that will not disturb social peace are mainly the ones doing the paying."

(WIEZ, No 1, 1988)

Leszek Lesniak, chairman of the Nation Board of the Rural Youth Union from 1982 to 1987:

"I do not intend to discuss the party punishment given me, a reprimand with a warning. I recognize the validity of the actions of the Central Control and Review Commission and accept the fact that the group making the decision judged my actions to be culpable. I realize this is a political penalty.... I cannot be responsible for the faultiness of the economic and financial system of the state. I am surprised that as yet no one has been able to do a thorough analysis of the activities of Agrotechnika. It could provide valuable information on the subject of actual phenomena, dangers, and hopes that are occurring in conjunction with the economic reform.... We are still at a stage that if someone gets ahead, we attempt to bring him to order instead of looking at the whole picture of his activities. The reform is supposed to change something. And I have the impression that we want this to happen magically without changing anything. That we not have to change anything, for things to be better."

(From an article by Iwona Jurczenko about Agrotechnika, PRAWO I ZYCIE, 5 March 1988)

25 March 1988

26000244b Warsaw POLITYKA in Polish No 13, 25 Mar 88 p 2

[Excerpts]

National News

The 10th ZSL Congress began its deliberations on Monday and on the first day the party again elected Roman Malinowski president of the national committee. In the program speech, the president of the party said among other things: "We are working for the improvement and strengthening of the coalition system of exercising authority. The genesis of this system lies in the Manifest of the Polish Committee of National Liberation, in the idea of popular power and an alliance of the basic social classes and layers in removing the contradictions appearing in the process of building socialism. The coalition, partnership principle has been subject to distortion in favor of transmission and satellite systems whenever the

principles of socialist democracy have been infringed, whenever the manner for exercising authority diverged from the aims and desires of society."

Wojciech Jaruzelski in a speech at the 10th ZSL Congress predicted that if the need arises, the PZPR Deputies' Club will ask the Sejm to grant temporary (to the end of the year) extraordinary plenipotentiary powers to the government in order to defend and accelerate the reform. Soon there will be a general review of the directors which will speed up the "bi-directional movement of personnel." In a month a large, national review and inspection operation, which is to be coordinated by Gen Czeslaw Kiszczak, will begin.

Elections to the National Councils will be held 19 June 1988.

A release by the Central Office of Statistics presented the results for February. In comparison with February a year ago, industrial production increased by 5.3 percent; purchases of livestock and milk increased; exports increased by 9.7 percent; and imports by 17 percent. The average monthly wages in the five basic sectors of the socialized economy increased by 44.6 percent in the course of the first two months of the year (in comparison with January and February 1987), and money receipts of difficulty by 53 percent. In February alone monthly wages in the five sectors of the economy increased to 49,000 zloty or more than 92 percent. Market stability is still far away.

The government press spokesman, in response to a question by Ch. Gans, the AP correspondent, about whether it intends to apply sanctions to those partially responsible for the occurrence of excesses in March 1968 "I think that the individuals who 20 years ago contributed to unjust steps or to steps not motivated by the appropriate criteria, have faced political and moral responsibility in conjunction with the publications which have appeared on that subject. Please understand that all that is proceeding in such a dimension."

The Council of Ministers has passed a resolution to raise some pensions and retirements which supplement the decisions adopted 1 February 1988 (concerning benefits awarded in 1983 and 1987). Commenting on these provisions Ireneusz Sekula, minister of labor and social policy, announced in RZECZPOSPOLITA that the average retirement and pension will increase this year by about 57 percent or more than 10,000 zloty and will be 28,350 zloty in December. The highest average, for benefits awarded prior to 1981, will be 29,650 zloty, the lowest for those awarded in 1987, 23,080 zloty.

RZECZPOSPOLITA in a series titled "The Center, Its Structure and Tasks," profiled the Ministry of Culture and Fine Arts. It is headed by a minister. He is assisted by five undersecretaries of state: Wacław Janas, first deputy minister (among other things, economic issues, budget, planning, Fund for the Development of Culture,

economic reform issues, the music instrument and record industries), Jerzy Bajdor (cinematography, theaters, cooperation with radio and television), Kazimierz Clapka (dissemination, cooperation with the voivodships, houses of culture, entertainment, vaudeville, civic cultural movements, and amateur groups), Krystyna Marszałek-Mlynczyk (protection of cultural objects, museums, plastic arts, photography, music) Kazimierz Molek (writers, publishing, bookstores, artistic education). The minister is the parent agency for 100 enterprises and artistic institutions.

Research shows that 20 percent of the children have neither their own bed nor their own corner for work at home and the same percentage do not receive a mid-morning meal to take to school.

The first cooperative insurance fund in Poland has been formed in Lodz and is called Westa. It operates throughout the country and also insures voices, works of art, etc.

"Individuals of Polish origin run, it is estimated, about 50,000 firms in various countries around the world, of them only 400 are in Poland. Last year for every dollar invested profits averaged 2.5 cents. Economic cooperation with Polonia must be regulated in a different way," the economic commission of the Polonia Society stated.

At the end of 1987 the party had 2,149 million members. During the course of the year 76,563 individuals were accepted as candidates and 31,626 members and 3,975 candidates were deleted; 2,284 were ejected. Workers and farmers constitute 56.6 percent of the new candidates. The largest party organization is in the Katowice Voivodship, 252,500 individuals, the smallest in the Bielsko-Podlaskie Voivodship, 13,500.

The textbook "Preparation for Life in the Family" has received a negative response from specialists named by the minister of national education, announced Prof Anna Przecławska, chair of the group evaluating it. Commentary by E. Nowakowska, page 10.

What are students reading? ODGŁOSY discusses the results of a survey of students of Lodz University (383 respondents). In response to the question "which weeklies they read with fair regularity PRZEKROJ was first 36 percent; POLITYKA, second 35 percent; JESTEM, third 28 percent (mostly coeds, 39 percent); then RAZEM, 25 percent; ODGŁOSY, 24 percent; PRZYJACIOLKA, 18 percent; FORUM, 16 percent; ITD, PAN, and VETO, 10th 7 percent. In comparison with 1986 the percentage of individuals reading POLITYKA rose the most (from 23 to 36 percent). The survey was done in January 1988.

Died, Tomasz Weiss (age 59), historian, literary scholar, professor of the Jagiellonian University, in 1984-87 chairman of the Commission for History and Literature of the Polish Academy of Sciences, Andrzej Zabinski (age 49), youth activist (chairman of the Executive Board

of the Union of Socialist Polish Youth in 1967-72) and party activist (first secretary of the PZPR Opole Voivodship Committee, and then the Katowice Voivodship Committee, in 1980 a secretary of the Central Committee, and in 1980-81 a member of the Politburo). Until recently he was counsellor at the embassy in Budapest.

On the Left

New proposals by M. Gorbachev aim to relieve the tensions around the Mediterranean Sea (including freezing, beginning 1 July 1988, the naval potential of the United States and the USSR in the region), were announced during his visit to Yugoslavia.

The secretaries of the central committees for ideology affairs of the communist and workers' parties of Bulgaria, the CSSR, Cuba, Laos, Mongolia, the GDR, Poland, Romania, Hungary, Vietnam, and the USSR met in Ulan Bator. Jan Glowczyk led the PZPR delegation.

A gigantic joint venture has been formed in the USSR; the partners are the USSR and four large western industrial concerns: Occidental Petroleum (U.S.A.), Montedison (Italy), Enikem (Italy), Marubeni (Japan). The formation of a large oil and chemical complex, Tengizpolimer; it is anticipated that it will process crude oil and gas produced in the Tengiz region in the area of the Caspian Sea; initially \$6 billion dollars has been earmarked to implement the project.

The last SS-12 rockets and their service personnel have been removed from the CSSR (the base at Hranice in Moravia).

Prof Oleg Bogomolov writes in a letter to LITERATURNAYA GAZETA that Soviet experts of the Institute for the Economy of the World Socialist System warned the authorities in a memorial dated 20 January 1980 against sending military forces into Afghanistan.

The new government spokesman in the CSSR, Miroslav Pavel, promised to ensure journalists the widest possible access to information at his first press conference for national and foreign journalists.

M. Misko, head of the bank card firm Inturkart announced that credit cards are to be introduced in place of cash in the USSR.

There are few people eager to run private restaurants in the center of Sofia. Thirty places were put up for bid, and each of them had a set price the agent was obligated to pay annually for using it. Only seven were taken over by agents, mostly cafe bars, beer parlors, and pastry shops. No one, however, was willing to run a restaurant. OTECHESTVEN FRONT: the low interest among private individuals in taking over eating establishments is due to the uncertainty of the future fate of such operations.

"Many of the actions of the members of the so-called human rights group 'Helsinki 86' have the marks of punishable actions," Janis Dzenitis, prosecutor for the Latvian SSR, told a TASS correspondent.

On the occasion of the 140th anniversary of the Spring of Peoples, the Hungarian revolution against Hapsburg rule in 1848, an official ceremony was held in Budapest on Heroes' Square and an unofficial demonstration. J. Barbas, the deputy head of the propaganda section of the MSZMP Central Committee, told Western journalists: "It is completely normal for young people to express their views spontaneously."

Citizens of the GDR are hearing more critical notes in their press. Observers say that the first symptom of the new tone was Honecker's speech at a meeting with secretaries of the local SED committees that contained many criticisms of the economic condition of the country. The presentation of these shortcomings by the head of the party and the state was considered encouragement to look critically at some areas of life. The BERLINER ZEITUNG made a start, after a series of articles on crime, it published a critical report on housing construction in Berlin.

Phan Hung, premier of Vietnam (age 75) died of a heart attack in Ho Chi Minh City. He took over the position in June 1987 after the resignation of Pham Van Dong who had held the post for 32 years. Deputy Premier Vo Van Kiet (age 65) is performing the duties of premier.

The first national opinion survey research center will begin operation in the USSR. It will be directed by Prof Tatyana Zaslavskaya.

Opinion

Krzysztof Wielecki:

"Societies affected by stagnation due to overproduction, which is accompanied by unemployment, cannot afford to overemphasize production efforts as the leading value. Societies suffering from a shortage of basic goods cannot, in turn, afford mass disgust with work and rejection of consumption. But Polish youth, under the sway of Western lifestyles, demands a high level of consumption and a simultaneous cultivation of values that exclude it. Such an orientation by youth is caused, among other things, by our inability to create conditions for it to realize its aspirations through its own efforts. The young then flee from adulthood."

(ZDANIE No 1, 1988)

Maria Glebicka, first secretary of the PZPR Factory Committee at the Zelmot Factory in Warsaw:

"The role of the basic party organization has not been settled in the new economic conditions. 'Leasing the factories to agents' eliminates the party organizations.

Releasing professional initiative reduces the role of the party in the factory, for one makes hard evaluations of economic results and not evaluations of ideological attitudes.... The role of the basic party organization cannot be reduced to giving recommendations for filling management positions. The ambitions and expectations of the apparatus employees at the factory level are not being satisfied under the current structure."

(Statement in AKTUALNOSC', bulletin of the Warsaw PZPR Committee, 18 February 1988)

Bishop Czeslaw Domin, chairman of the Charity Commission of the Polish Episcopate:

[Answer] During the last three years the food situation in Poland has improved systematically, thus the focus of foreign aid has moved in the direction of medical aid. The situation in the medical area, instead of improving is steadily getting worse.... The declining trend in foreign food aid is shown by the following figures 1984, 80,509.1 tons, 1985, 64,237.0 tons; 1986, 24,121.6 tons.

The rising trend for medical help is shown by the following tonnage figures: 1984, 345.0 tons; 1985, 1,525.8 tons; 1986 1,641.3 tons. Last year this aid reached an even higher figure

(Interview with Katarzyna Wyrza, NOWE ZYCIE, 14-27 February 1988)

Henryk Miziany, president of the board of the Voivodship Union of Gmina Cooperatives in Nowy Sacz:

"We are for competition but conducted under conditions of equal opportunity. But contrary to the law on demonopolizing, Igloopol has grabbed the meat market in our voivodship, leaving our butchers frozen goods, leftovers without shoulders and hams. In January we did not receive even one meter of intestines. We have been waiting for specialized 'atmos' equipment for years. Igloopol in Tymbark has six of them. We buy live meat but we cannot slaughter even one animal. We also buy grain, but we hand over all of it to the State Grain Elevators."

(Statement in DUNAJEC, 28 February 1988)

Doc Dr Marian Fuks of the Jewish History Institute:

[Answer] Not everyone knows that of the 15 to 16 million Jews around the world at least half of them trace their origins to Poland. This means that each of these 7.5 million Jews either was born in Poland or his parents or grandparents are from Poland.... More than 400 associations of Polish Jews are active around the world and they gather Jews according to their place of origin. Thus there are, among others, associations of Jews from Krakow, Lodz, Warsaw, Lublin, and even Otwock, Kozienice, and many other larger and smaller towns.

(Interview with Hanna Swieczakowska, DZIENNIK ZACHODNI 4 March 1988)

Council of the Canon Law Department of the Lublin Catholic University:

"We support the proposal to end the death penalty widely promoted by a variety of groups. We also note that the premise of the absolute value of human life, on which these proposals are based, leads to the proposal that the criminal code also protect this life, including protection for the life of the unborn.

In the area of criminal procedure we propose, parallel to the reform of the criminal procedure code, amendment of the law on the Office of the Minister of Internal Affairs and the legal acts promulgated on its basis. These changes should aim toward greater respect for human freedom and dignity without weakening the effectiveness of the actions of the organizations of order and public security. The activities of the organizations of order and public security should, in our opinion, be subject to greater control by independent courts, and representative bodies than heretofore, and finally to social control to a degree similar to that in many democratic countries of the world."

(From the appeal to the members of the Commission for the Reform of the Criminal Law of the Ministry of Justice, from PRZEGLAD KATOLICKI, 14 February 1988)

13021

'Polish Socialist Party' Tenets Questioned, Ridiculed in Party Daily Series

26000221 Warsaw TRIBUNA LUDU in Polish 18-21 Feb 88 p 2-3

[Article by Jerry A. Salecki: "Only the Packaging is Red"]

18 February p 3

Does a party which denies the value of Marxism as the scientific and solid foundation of the ideas of socialism have the right to call itself "socialist"? Under what declarations had the fathers of Polish socialism affixed their signatures in 1892? In the context of the "resurrection," toward the end of last year, of the so-called PPS [Polish Socialist Party] as a party allegedly harking back to its ancient traditions, the answer to these fundamental questions was provided by the first in the series of these articles, published in yesterday's issue of TRYBUNA LUDU.

Today we shall consider whether this grouping can be viewed as a political party

Reflections on Party Program

While from the very outset, i.e., in the 1870s, there may have been both nuances and significant differences in the manner in which the fathers of Polish socialism interpreted its program, they all invariably shared the common idea of social justice, belief in people's government and in the special role of the working class in the modern society, and also the concept of the class struggle as the motive power of changes and progress. Whoever negated these determinants—let us compare Pilsudski during his PPS period with the 1926-1935 period in his life—ceased to be a socialist.

The resolutions of the Congress of Paris (17-23 November 1892), at which the Union of Polish Socialists Abroad was formed (while at the same time providing for the formation of the Polish Socialist Party on Polish land itself) contained theses defining the ideological visage of the movement. They demanded, among other things, "a gradual socialization of land, means of production, and means of transportation," on stressing that the PPS is to be a "representative of the interests of the proletariat" (my italics—J. A. S.) whose purpose will be "to guard the autonomy of its class policy" (my italics—J. A. S.). In this connection, they precluded the possibility of a compromise and tactical alliances with "the reactionary tendencies of the transition classes," that is, with the political movements alien to the democratic left.

Ever since 1892, in the period prior to the recovery of independence, in the interwar period, in the period of Hitlerite occupation, after the liberation, and until the merger of the worker movement in December 1948 [the merger of the Polish Socialist Party and the Polish Communist Party into the Polish United Workers Party], the programs of the PPS have always and without exception emphasized both the importance of national independence and the class nature of their policy on principal social and economic problems. The successive programs differed, were radical or conservative, and comprised one or more goals, but they always referred to the heart of the matter: the issue of ownership and forms thereof, the liberation of the proletariat, the striving to translate the socialist idea into reality.

The 1987 "Declaration" of the self-styled "socialists" contains no mention whatsoever of the working class, nor of the class struggle, nor of social justice.

This can hardly be doubted. The new "PPS," although verbally emphasizing the role of tradition, bids adieu to the essence of socialism—to the struggle for the social liberation of working people, for the materialization of the idea of socialism.

What then is the program of the "socialist" party being currently "resurrected"?

The "Declaration" mentions "the primacy of man," dignity of work, and "freedom, democracy, and justice." These are weighty and worthy goals, but the reader will probably agree with me that any political party, whether socialist or not, could include them without any trouble as planks in its program in order to gain adherents, regardless of its doctrine and class visage.

The "new" or rather alleged "socialists" gloss over the cardinal economic and social problems. Instead, they offer three specific demands: "...The right to live in an unpolluted natural environment, the right to substitute military service, and the abolition of the death penalty."

I am not questioning the importance of ecological problems. No one (consider the official position of the state authorities and the current work of the Sejm) negates the possibility of (or the need for, which in my opinion is debatable) amending the decree on universal military service. As regards the abolition of the death penalty, the principal criterion should be the position of lawyers, sociologists, psychologists, etc., rather than—this being again my opinion—emotions stirred by certain publicists and... demagogues.

Do the above three issues account for the "socialist" visage of any political party? Are these particular problems inherent features of a "socialist" program?

Of course not! The so-called PPS borrowed these planks from the previously formulated program of the entire anti-state opposition.

In taking a position on such issues as environmental protection, substitute military service, and abolition of death penalty, and criticizing on various occasions the level of health service and the school system as well as deploring the status of housing construction, production quality, the consumer market, etc., this political opposition desires to present itself as the sole defender of the economic and social interests of the society, as the champion of humanitarianism, the defender of humanism, freedom, and justice. For what matters is catchy slogans, and hence also bamboozling basically decent people but disoriented, winning them over to the idea of protest, dissidence, negation.

The founders of the supposed PPS are not interested in problems of the ownership of means of production—an issue which, as had already been known in the 19th century, predetermines the nature of the system of society. They emphasize the importance of the "united effort of freely constituted assemblies," which can apply just as much to state-owned factories, cooperatives, producer associations as to... opposition groupings. They warn that "the great potential of individual initiative cannot be forfeited." Once again the language is ambiguous: does this mean the work of scientists and artists (individualists) or does this concern individual owners

of, e.g., factories, the entire "private enterprise," or even protection of the "great potential of the initiatives" of Kuron, Michnik, and others?

The so-called PPS lacks a socialist ideology and a socialist program.

Is It a Political Party?

Yes, precisely, as known, it clearly is not a socialist party. We should also consider whether the PPS is a political party as the latter is normally defined in consonance with the practice of public life which distinguishes between, e.g., the ZRKiOR and the ZSL [United Peasant Party].

Here the definition leaves no doubt. In order to become a political movement, a party, a social movement must have a definite ideology and a concomitant program, and it must associate persons of similar views who identify themselves with the party's ideas. Every party expresses the interests of a particular social group or groups.

The first surprise: the Central Executive Committee of the PPS includes two members from the Confederation for Independent Poland (KPN), an opposition grouping representing itself as... a political party. The KPN, as known from the hoopla in the past, associates rightist "Neo-Pilsudskiytes" of nationalist hue.

One can only imagine how members of the "old" Polish Socialist Party would have reacted to the news that two activists from the OZN [National Unity Camp] or the ONR [National Radical Camp] were elected to its Executive Committee! The "new" party (?) is not bothered by any such scruples.

The second surprise: a "party" is being formed in the absence of not just socialist ideology but any ideology, in the absence of a program. Sure, the ideology exists if it is construed as ill will toward communism and a dissenting posture toward the reality. Sure, the program exists if it is construed as consisting of that corpus of demands, postulates, and postings which characterizes the entire opposition as well.

A party must have its own distinctive program. Without it, it is merely an anarchy-sowing little group, a parlor society of mutual assistance.

The ambiguity and obscuring of identity are easy to explain: the so-called "PPS" does not want to and cannot offend all kinds of oppositionist circles. After all, they all ride the same hobbyhorse and eat from the same hand. However, its competitors for the "government of the minds" are not enthused.

AVANTI, the daily newspaper of the Italian Socialists has even commented (on 9 February), "...The party's formation was received 'barely tepidly.'" The Italian author is too gracious: the temperature of the mood of

the competitors is demonstrated by the assessment of the "PPS" by Marian Pilka of the rightist-clerical group publishing the quarterly "POLITYKA POLSKA." In the interview he granted to the Voice of America (12 February), he declared:

"I believe that this grouping has nothing important to propose at the moment. I believe that it is simply barren politically, but not only barren. I believe that it can even be harmful from the standpoint of the primacy of the society."

Them is sacred words, Pan Marian!

The "Declaration" is neither an appeal to socialists nor a party program. It could just as well be signed by the Movement for Realistic Politics, familiar to our readers, by the KPN, or by some "Club of Independent Oppositionists" or "Association of Those Against Everything."

There are no grounds for considering the so-called "PPS" a genuine political party.

19 February p 2

Exploring a documented answer to the question of whether the so-called PPS can be considered an authentically socialist movement, and whether it really harks back to the traditions of the PPS, was the subject of the first article in this series (TRYBUNA LUDU, No 39). In yesterday's issue of this newspaper the question of whether the so-called PPS was justified in calling itself a political party was explored. Today we are asking a third question.

"Poland"—But What Poland?

So it is not a political party nor a socialist one. Is it then "Polish," meaning that it represents Polish interests, acts in accordance with Polish needs, and expresses through the mouths of its leaders the ideals and rationales of Poles?

Its "Declaration" confines itself to generalities. It would be proper not to comment on its postulate of "independence" in order not to risk ridicule. Even so, let us dwell for a while on this aspect of the "Declaration."

How lovely: so the "PPS" is in favor of independence. But independence of what Poland? Within what boundaries? With what allies? With what future?

These are cardinal questions, but no light on them is shed by the "PPS"-declared readiness to "...surmount differences and quarrels with our neighbors." What differences and quarrels? What is to be the subject of disputes? With whom?

Does this perhaps concern the news reaching us from the West that over there the representatives of certain emigre groups and... "parties" have recently become interested in terminating "quarrels" with the Ukrainian nationalists of the OUN (their former UPA [Ukrainian Insurgent Army] gangs)? The remnants of the Ukrainian "Democrats" with the Trident sign are, as abundantly and often mentioned in [the Paris-based Polish emigre journal] KULTURA, rather reluctantly expressing their consent not to make any territorial claims toward Rzeszow, Zamosc, Lublin, and... "skow! "Our" emigres propose (!) accepting the... River as the permanent eastern boundary of Poland... of the kind of "If the Vistula continued to flow from the Tatra Mountains to the Baltic." The puppet show bearing the name of "negotiations" with the participation of emigre "Socialists" is continuing.

It may thus be assumed that, in the course of operetta-like conferences and debates, despite the questioning of Yalta and Potsdam, the emigre centers (including the recently "united" emigre so-called PPS) as well as opposition groupings (if not all then at least the "PPS") accept our eastern boundaries. What about our western ones?

The leadership of the "PPS" makes no mention of them in its "Declaration," confining itself again to the support of "...the right to a free national, cultural, and religious development of all national minorities in Poland." This is supposed to imply that no such freedoms currently exist.

We know the identity of those who show such obduracy and bluster in demanding "rights for the minorities." The comments by Messieurs Hupka and Czaja concerning the alleged German minority of more than a million in Poland are known to everybody.

There is nary a word about our western boundaries in the "Declaration." But much attention has been devoted to this matter by Jan Jozef Lipski, until yesterday the "chairman of the PPS National Council," and previously one of the founders of the KSS KOR [Social Self-Defense Committee, Committee for the Defense of Workers].

That "comrade," a Polish citizen of Polish nationality, is the author of a curious little treatise, "Dwie ojczyzny — dwa patriotyzmy" [Two Fatherlands—Two Patriotisms] in which he performs a "historical analysis" of the relations between Poland and Poles and the neighboring states and nations.

For proof, consider the picture of the patriotic, Polish attitude of J. J. Lipski as provided by FRANKFURTER ALLGEMEINE ZEITUNG (No 264, 13 November 1981) which reprinted from "Two Fatherlands..." passages concerning Polish-German relations. The title of that article was taken from the author's observation:

"The myth of the German 'Drang nach Osten' is our excuse."

Two Patriotisms?

According to Lipski, there exists "Also the problem of our (i.e., Polish—J. A. S.) guilt toward Germany.... We took part in depriving the fatherland of millions of people. But the evil done us, huge as it is, is not and cannot be an excuse for the evil we ourselves caused....

"It is all the more disturbing, as a symptom of the poisoning of national ethics by nationalism, that from time to time there appear articles whose authors boast that, even before World War II, the political groups with which these authors had been connected, demanded a Poland whose boundaries end at the Odra and the Nysa, a Poland with Szczecin and Wroclaw. These are not articles that confirm an interesting fact; these articles represent acceptance of the programs of those times which had been plans for seizure of territory."

These statements were made by a Pole. So we had been preparing imperialist plans of the kind of "Drang nach... Westen," and now we even have the temerity to deny the theses of many FRG historians who claim that Hitler had simply acted in the defense of the threatened sovereignty and existence of the German nation. Communists were enemies of fascism, and England and France wanted to suffocate Germany. Poland was preparing to act. Hitler did whatever the head of any other threatened state would have been doing in his place. The Reich lost the war and then... the Poles drove the Germans out of their fatherland.

"Nearly every Pole (even an educated one)," J. J. Lipski continues, "believes nowadays that, following World War II, we returned to territories seized from us by the Germans. This may apply to Gdansk and Warmia [part of East Prussia] during the period between the Peace Treaty of Torun (1466) and the partition of the First Republic, although both Gdansk and Warmia had then and until the end of World War II been mostly ethnically German. As for the remainder of East Prussia, it had never been Polish.... Western Pomerania—ethnically also not Polish although Slavic... had formed its own state structure that was destroyed by the Swedes as late as in the 17th century. The Prussians took that land from... Sweden, not from Poland. The Germanization of Western Pomerania occurred through evolution, without violence. Silesia had become as far back as in the Middle Ages a vassal territory of the Czechs and, together with the Czechs, became part of the Austrian monarchy. The Prussians took it from the Austrians, not from Poland, as late as in the 18th century when the processes of the Germanization of Lower Silesia, also an evolutionary one, occurring without duress, had already been greatly advanced. Opole Silesia and Upper Silesia remained ethnically Polish. The organized and to some extent effective Germanization pressure on these territories dates only as late as from the second half of the 19th and the 20th century. As for us, we refuse to consider that these are lands on which German culture had flourished for a couple of centuries.

"...The myth of 'Drang nach Osten,' borrowed from a stupid and criminal mythology, still persists in Poland," J. J. Lipski concludes, on adding, "The Western boundary of the First Republic had for ages been among the most quiet ones."

Congratulations to the "resurrected" so-called Polish Socialist Party of the chairman of the "Supreme Council" who holds such patriotic judgments of our Polish history!

The passages cited above (lengthy, but leaving no doubt as to the drift of their reasoning) abound in not only distortions, glaring oversimplifications, glosses, false interpretations, and unsubstantiated judgments. Wishing to "prove" that lands that are part of the Western and Northern territories of Poland had been German for centuries or became German through "evolution," and also wishing to substantiate his claim that these lands had never been Polish, Lipski is lying through his teeth.

The Vivisection of a Lie

Consider, for example, that, despite Germanization, according to Prussian statistics, in 1816 43 percent of the population of the so-called Gdansk Regency was Polish, and so was as much as 53 percent of the population of the Kwidzyn Regency.

Did the Germanization make progress? Yes. By 1910 only 605,000 of the combined population of 1,700,300 in the Gdansk and Kwidzyn regencies had admitted their Polishness. The fairy tales include the claim that the uprooting of Polishness was pursued while "respecting the rights of the individual" and "preserving the rights of the national minorities," the latter being a matter of such concern to the "PPS."

Germanization was also a failure. In Warmia and [East Prussian] Masuria (German data for the period of the Second Reich) 250,800 inhabitants admitted their Polishness in 1825, 310,100 in 1861, and 347,200 in 1890. In Opole Silesia 53 percent of the population were Polish in 1920 (German figures).

Lipski mentions Silesia's having been a vassal to the Czechs, but he makes no mention of Polish vassalages in Silesia as well as in Szczecin Pomerania and in Gdansk. He does not acknowledge either the fact that, even before the Prussian Homage [oath of vassalage sworn by Prussian Prince Albert Hohenzollern before King Sigismund the Old in Krakow in 1525], East Prussia was a vassal of Poland.

Wroclaw at the end of the 19th century was inhabited by about 20,000 Poles. Tendentious German statistics reduced that figure to below 8,000. At a Wroclaw Evangelical church sermons in Polish had been preached from 1416 until 1829 and in German only from the beginning of the 17th century. The University of Wroclaw had since its founding in 1811 included a lectureship of the

Polish language, and since 1842 a department of Slavic literature. There had been Polish-language press (TYGODNIK LITERACKI and others), and since 1836 there had existed Polish student associations. In 1849 Polish-language instruction was provided in courses at four high schools and a trade institute in Wroclaw. W. Bozek in 1850 asked for Polish books to be sent to the library of the first organization of Poles in Upper Silesia. The Polish-language advertisements and announcements appearing in the press of that city over successive years must have been addressed to someone....

One more thing: in 1892 the Society of Polish Socialists was formed in the same Wroclaw.

Anybody who still has any doubts about the rationales of J. J. Lipski should read the works of August Mosbach, a Wroclaw historian who wrote mainly in German and who authored the monograph "Wiadomosci do dziejow polskich z Archiwum Prowincji Slaskiej" [Notices on Polish History from the Archives of the Silesian Province] and "Contributions to Polish History from the Archives of the City of Wroclaw." From these works it becomes immediately clear who was the host and the master—Silesian Poles or the Germans who had flocked in—and how!—over the centuries!

In this place the reader is justified in asking whether Jan Jozef Lipski may not have acknowledged his fatal little treatise to be an irresponsible excursus, an antihistorical and antinational squib.

But no! "Our socialist," so concerned about extirpating nationalism from the minds of his compatriots, must have felt gratified by the letters arriving at the FRANKFURTER ALLGEMEINE ZEITUNG following its publication of the excerpts from "Two Fatherlands." For example, a certain Harry Scherf of Moers felt "genuinely moved" on reading Lipski's article, because "I myself am a native-born Poznan man." As known, Poznan is an authentically German city....

Or consider what was written by Herbert Hupka, a well-known leader of the "landsmen," Pole-hater, and revanchist:

"...This Pole has taken here, in an honest and sincere manner, a position on Polish-German relations. He not only does not deny the German nature of the eastern lands beyond the Odra and the Nysa but also points out the obligations of the Polish side...."

Farther on, Hupka reproves Lipski for failing to place a sign of equality between the "evil" in the form of the resettlement of the German remnants from Poland's Western and Northern Territories (most Germans had, as known, fled together with the Wehrmacht in 1945) and the "evil" in the form of the slaughter of 6 million Polish citizens by the Hitlerites. Hupka moreover rejects Lipski's "weak" thesis of the "ethnic Polishness" of Opole Silesia, stating insolently, "It is a well-known

historical fact that Polish nationalism was imported from Poland (Yes!!!—J. A. S. [This "Yes" is supposed to sound ironic since Poland did not exist as a state at that time]) to Upper Silesia only at the last turn of the century." "Both corrections," Hupka stated in his letter to FRANKFURTER ALLGEMEINE ZEITUNG of 28 November 1981, "should not, though, detract from Lipski's merits in the cause of eliminating the misconceptions about the alleged 'Drang nach Osten,' of which the Germans are accused."

To West German neo-fascists, revanchists, and revisionists, J. J. Lipski's essay was manna from the sky! That "historian"—one cannot even say "by God's grace," because that would insult God — has provided "ammunition" for the revanchists by his consistent mendacity.

A quiet Polish-German border? The fighting between Poles and Germans in the historical time frame lasted altogether 160 years not counting the period of the Partitions. The fighting with Russia, including also the Polish-Lithuanian wars, lasted altogether 85 years. But this did not prevent Lipski, in the interview he granted to the weekly SPIEGEL (1984) from again ridiculing "the scarecrow of German revisionism." An incredible thing happened: even a commentator at Radio Free Europe had to admit that the mass media in the FRG and Austria (e.g., DIE PRESSE) "quote from J. J. Lipski's works excerpts that, when taken out of context, sound Germanophilic."

There was no need to take anything out of context. "Two Fatherlands—Two Patriotisms" is precisely a Germanophilic squib against Poles and Poland, written by the actual "leader" of a Polish "party."

Let us then ask the people whom manipulators of Lipski's ilk attempt to bamboozle by abusing a respected historical symbol, whether they identify their views on Poland and its borders with those of Jan Jozef Lipski, until very recently the chairman of the "National Council." After all, it is he who sets the tone of that Polish "party."

The bodies of Limanowski, Kelles-Krauz, Pilsudski, Mendelson, Abramowicz, Liberman, Wojciechowski, Daszynski, Prochnik, Okrzeja, Dubois [all "old" PPS activists] are turning over in their graves.

J. J. Lipski is not in the same class as Wladyslaw Bartoszewski who, although belonging to oppositionist circles and also favoring the growth of Polish-German dialogue, has always distinguished between forgiveness of injustices in the spirit of Catholic charity and the forgetting, voiding, and questioning of the historical facts whose symbols are Auschwitz, the "final solution of the Jewish question," Zamoszczyna [brutal deportation of Polish peasants from Zamosc region and their

replacement with German settlers], and the Warsaw [Uprising of] 1944, and whose final culmination was our return to Gdansk and Olsztyn, to the banks of the Odra and Nysa.

It is simply that the Fatherland can be one, but certainly there can be "two patriotisms."

Polish? Socialist? Party?

The question marks are warranted. Why all this masquerade?

There is one reason. Namely, an overwhelming majority of Poles believe in socialist values: they protest against abuses but not against the idea of socialism itself. In 1980 the leaders of the "democratic opposition" had popularized the "independent trade-union movement." The "trade-union flypaper" was used to attract millions of people and pursue, behind their backs and contrary to their expectations and hopes, a policy of confrontation with the socialist state. Now these same oppositionists want to exploit the tradition and name of the PPS. The "Socialist flypaper" is to attract adherents.

The decorations are different but the purpose is the same: to obstruct instead of making creative contributions.

Thus, the "parlor crisis" is not surprising. In the opinion of the former "Secretary General" Andrzej Malanowski, the text of this new "Declaration" "was bound to compromise the PPS both in Poland and outside its borders."

There is nothing more to add here.

20-21 February p 3

Several days ago, while releasing for print my critical reflections on the "ideology" and "program" of the so-called PPS, I had not even considered in my wildest dreams that the members of the "top leadership" of that group would supply me with additional spectacular arguments for documenting the farcical nature of that entire enterprise.

Well now, beginning on 14 February the daily reports of Western correspondents from Poland have been concerned with the brouhaha at the "National Council" of the so-called PPS. What happened was that on 7 February, despite the absence of "Presidium Chairman" J. J. Lipski and three other members of the presidium (owing to their detention for several hours by the Security Service), the remaining minority of the gentlemen from the "Council" considered themselves authorized to pass a "Declaration" supplementing the previous "Declaration" (the original, political one which I had discussed in TRYBUNA LUDU on 17-19 February). Neither Lipski nor the three other detained members approve of the text of that new declaration because, as he claims

(quoted from the radio broadcast of the BBC on 15 February), it is of a "leftist-Marxist nature." To preclude any doubts, let us add that Lipski and his friends protested against the parts of the new declaration that define the so-called PPS as a "revolutionary" party that does not forswear the use of force in order to attain its goals.

The BBC broadcast said, "The purpose of that provocation, the authors of the Declaration claim, was to compromise the PPS in the eyes of its domestic and foreign sympathizers. In such a situation, the authors of the Declaration state that they have no choice but to resign from the leadership of the PPS."

The departure of the foursome "Fronde" and the "press spokesman" from the couch of the presidium would surely have been accepted with relief by the "leftist-Trotskyite" remaining members of the "Council" had it not been for Lipski's barb in his statement of resignation from the seat of honor.

"Since last December the activities of certain members of the PPS National Council have been resembling those of infiltrated agents. Recently these activities had intensified."

No names were named in the statement of resignation but, e.g., an indiscreet radio station, Deutschland Funk, left in its commentary of 15 February no doubts as to whom Lipski was aiming at: "Without going into details, Lipski declared that three of his previous associates may be, as he put it, directed from outside. This means... criticism presumably aimed at the triumvirate of party members who have stayed at their posts: Jozef Pinior, Piotr Ikonowicz, and Andrzej Kowalski." Without beating around the bush, the resigning "chairman" mentioned in his statement that the abovementioned gentlemen either cooperate with or provide occasional reports to...the Security Service for ideological reasons as well as owing to their desire for filthy lucre and a better position on the presidial couch.

That was a bombshell! The Western press agencies mentioned "differences of opinion," conflicts between "the old guard of the opposition" (with Lipski and the remaining foursome), on the one hand, and the "young activists" (with Pinior and his supporters) on the other. On 15 February, according to a BBC broadcast, "...a majority of the PPS Council responded with its own written statement which says that the accusation that it cooperates with the militia deserves moral condemnation, and which accuses the resigning quintet of attempting to transform discussion into a personal quarrel."

All this is ridiculous and at the same time pitiable. So people who have been for years giving instruction in "political culture" reveal their real nature and petty ambitions as soon as the first occasion arises. The "couch" has turned into a mangle—without quotation marks this time.

"A special blow to the party is the resignation of Jan Jozef Lipski and the manner in which it was done," claims the BBC. When asked by a BBC reporter about the accusation of "leftist-Trotskyite thinking," Jozef Pinior answered enigmatically, "Well, you know, this is somehow difficult to judge. Such an accusation is, it seems to me, a bit difficult to prove," and added, "After all, the PPS is not a party in which everyone must hold the same views" (yes, literally, that is what he said).

Radio Free Europe has broadcast a commentary that begins with the statement, "Disturbing news on the situation of the PPS has reached us from the country" (broadcast on 15 February), and concludes in a subdued mood, which I can perfectly understand, "The history of the Polish opposition has been augmented with yet another crisis" (broadcast on 16 February).

A little less than 3 months ago, while drafting their "Political Declaration," Messieurs Lipski, Pinior, and a dozen others, demanded "genuine influence" on Polish affairs and on the political decisions of the Polish authorities. But now one is ready to slit the throat of the other. This provides us with an opportunity for observing their reasoned deliberation, sense of responsibility, and... "democracy."

As Roman Dmowski wrote in "Podstawy polityki polskiej" [Principles of Polish Politics], "No rights of citizenship in public life may be granted to those who are hostile toward the very idea of government in the nation and of national discipline."

I am reminding the nonsocialist "socialists" as well as supporters of other "movements" of this profound thought of that rightist politician, so that they may ponder it before, during, and after their quarrels, though I doubt whether they will profit from it.

1386

CC Propaganda Office Urges Mass Media To Intensify History Presentations

26000214g Warsaw TRYBUNA LUDU in Polish
22 Dec 87 p 3

[Text] Under the leadership of the deputy chairman of the National Grunwald Committee, Gen Dr Tadeusz Szacilo, the Committee to Popularize the Grunwald Tradition met on 21 December in Warsaw. Jerzy Slabicki, deputy director of the PZPR Central Committee Propaganda Division, opened the discussion and indicated that the media have intensified their activity in promulgating historical issues.

Over sees this from the youth press, the publication by some editorial staffs of special historical supplements to newspapers and magazines, the continuation of useful serial broadcasts on radio and television and interesting proposals for new books. In these publications Grunwald is presented as a symbol of wise political philosophy and

Polish *raison d'état*. Among shortcomings, the speaker listed some of the media's concentration on topics about Grunwald exclusively during the days of the battle's anniversary.

Also discussed was the need to tighten cooperation with associations that propagate the ideas of Grunwald, especially those such as "Wisla-Odra" and "Polonia," expanded interest in these issues by thousands of teachers in all kinds of schools, an invitation to active cooperation to the most outstanding Polish journalists who write about historical, military and international affairs, more rapid mastery of obstacles in tourist, sightseeing and museum management of the Grunwald area and organization of historical trips for journalists and so on.

In the first year of its activity, the committee, said Gen Szacilo in closing the session, has aroused interest in the ideas and traditions of Grunwald and this may be the beginning of an intellectual and social movement. The international situation, especially the Gorbachev-Reagan meeting, has had a great impact on the reception of the issues of Grunwald. A real hope has been outlined for the warming of international relations and closer cooperation among nations.

Popularization of the concept of Grunwald should, therefore, be based on emphasizing the wisdom of Poland's political alliances with the proviso that they are not aimed against anyone; on accenting a course to fortify peace with the note that it should be more lasting than that after 1410; fortifying realistic thinking based on awareness of all threats that still exist, i.e., introducing in place of nuclear missiles conventional weapons of increased destructive power, which still exist despite agreements on elimination, large stores of weapons, etc.

Also noted was information on the nomination of the committee's Organizational Staff, under the leadership of Gen Szacilo, to prepare and implement central ceremonies for the 578th anniversary of the Battle of Grunwald. It is expected that on 10-17 July 1988 a Grunwald Traditions Popularization Week will be organized, during which, on the historical battleground, there will be a nationwide scouting rally with a patriotic demonstration, along with a pageant recreating the course of the battle, the military oath of soliders from the Tadeusz Kosciuszko First Mechanized Division in connection with the 45th anniversary of the oath of the First Infantry Division in Solec nad Oka, a presentation of the cultural achievements of the Polish Scout Union, a meeting among delegates from cities and towns awarded the Grunwald Cross, the Grunwald Festival, etc.

12776

Voivodship Meeting on Non-Party Political Participation

26000216r Warsaw TRYBUNA LUDU in Polish
18 Jan 88 p 2

[Text] Today, the expertise and preparation for doing a particular job is becoming more important, in other

words this type of value is being taken under consideration as opposed to one's world outlook or political organization membership. Kazimierz Morawski, chairman of the ChSS [Christian Social Association] Main Administration, and a member of the People's State Council stated at the voivodship meeting of Christian organizations in Biala Podlaska on 17 January 1988 that quite simply an individual is important.

During the meeting, which besides the voivodship authorities included representatives of the Roman Catholic Church, Orthodox Church, United Evangelical Church, as well as the Uniate Church, stressed the ever broadening participation of non-party individuals in the nation's public life.

12229/06662

'Freedom Fighters,' Education Ministry on Youth Training

26000216r Warsaw TRYBUNA LUDU in Polish
27 Jan 88 p 3

[Text] Concern about patriotic youth training, the shaping of their sensitivity to the past heritage and traditions of Polish arms were subjects of the national conference of the ZBoWiD [Union of Fighters for Freedom and Democracy] active cooperation commission with the youth, together with the participation of Ministry of National Education representatives, educational institutions, and youth organizations.

Professor Henryk Jablonski, chairman of the ZBoWiD Main Council called attention to the need for historical education. He emphasized that the young generation must know what price was paid for freedom by previous generations of Poles.

It was noted that closer cooperation of the war veterans with the socio-political organizations and institutions patronizing undertakings with the youth, especially with youth organizations and schools was necessary.

12229/06662

Polish-Chinese Friendship Society Meeting

26000216r Warsaw TRYBUNA LUDU in Polish
29 Jan 88 p 5

[Text] On 29 January, a meeting took place between the chairman of the Main Administration of the Polish-Chinese Friendship Society, Prof Edward Grzywy and PRC ambassador to Poland Pei Yuanying. The meeting was held in the TPPCh [Society for Polish-Chinese Friendship] headquarters.

Issues concerning this year's TPPCh cooperation with partner organizations in the PRC were discussed. In addition, views were expressed regarding the capability of undertaking new initiatives in this area.

12229/06662

PZPR CC Historians Group Meets

26000216h Warsaw RZECZPOSPOLITA in Polish
21 Jan 88 p 2

[Text] On 20 January there was a meeting of the party historians group of the Education, Learning, and Scientific-Technical Advancement Department of the PZPR Central Committee. Prof Czeslaw Luczak chaired the meeting. Among other things, they discussed the state of readiness of Polish educators for the International Congress of Historians to be held in Madrid, as well as the tasks of the historical environment in educational-popularizing endeavors on the occasion of the 70th anniversary of the restoration of independence in 1918.

12229/06662

Survey Shows Death Penalty Favored

26000216d Warsaw TRYBUNA LUDU in Polish
26 Jan 88 p 3

[Text] Almost half (49.1 percent) of those responding to the most recent CBOS [Main Public Opinion Research Center] survey expressed the opinion that the number of crimes in Poland in recent years has increased.

The most serious crimes and offenses against human life and health (including homicides and robbery) were acknowledged to be especially dangerous by 62 percent of those surveyed. Robbery, housebreaking, stealing of private property, and breaking into cars was considered dangerous by 49.8 percent; rape, especially the most severe forms of this crime, was 30.1 percent.

The majority of those surveyed (60.3 percent) favored keeping the death penalty. Every fourth person surveyed (27.8 percent) was opposed to it; every ninth (11.8 percent) person had no opinion on the matter.

12229/06662

Catholic Social Forum on Peace-Making Duties

26000214c Warsaw RZECZPOSPOLITA in Polish
23-24 Jan 88 p 2

[Text] In assembling an ever broader circle of participants, the Catholic Social Forum, which met for the first time this year on 22 January in Warsaw, was devoted to consideration of the proclamation of Pope John Paul II on the 23rd World Day of Peace entitled "Religious freedom as a condition of peaceful coexistence."

In summarizing the substance of the papal proclamation, forum chairman Prof Jerzy Ordowski stressed particularly its philosophical level. He noted that peace requires respect for the rights of others and moral order, which the pope in his proclamation places above ideological differences.

Participants especially emphasized the fourth chapter of the papal proclamation, "The responsibility of religious people," and as Andrzej Horodecki of Gdansk stressed, the significance of those moral principles in society that serve the common good. Rev Marian Prochniak said that Catholics can do a great deal to maintain peace, especially through their example of applying ethical and moral principles.

12776

Soviet Attache Extols Alliance, Notes Foiled 1981 'Armed' Revolt

26000185 Warsaw ZOLNIERZ WOLNOSCI in Polish
19 Feb 88 pp 1, 2

[Article by Col A. Tenenev, Army, Navy and Air Attache, USSR Embassy in Poland: "Our Fraternal Ties"]

[Text] The complicated contemporary international situation full of continuously spreading conflicts imposes an especially important task on us and that is to strengthen the friendship and unity of the fraternal socialist countries. This was the subject of a May 1987 Berlin meeting of the Warsaw Pact Member States Advisory Committee.

In contrast to the Warsaw Pact's genuinely defensive policy, NATO's military doctrine clearly foresees the possibility of nuclear and conventional war and of local and global wars. The NATO leadership does not hide the fact that it is preparing its forces for a war against the Soviet Union and the Warsaw Pact states.

The CPSU Program states that "an achievement of historical significance was the establishment of strategic parity between the USSR and USA, between the Warsaw Pact and NATO. This strengthened the position of the USSR, the socialist countries and all forces for progress and wiped out aggressive capitalist circles' dreams of victory in a world nuclear war. The preservation of this balance is an important guarantee for peace and international security."

In accordance with the spirit of those words, the Soviet Union and fraternal Poland as well as the other Warsaw Pact states are continually strengthening and improving their own defensive potential and that of the block as a whole. For us soldiers, an enormously important matter is to further strengthen the unbreakable Soviet-Polish brotherhood in arms. We strengthen it everyday by competing with each other and by continually enriching the meaning of the word friendship. The brotherhood in arms of the Soviet Army and the Polish People's Army is for us the realization of Lenin's ideal of cooperation between socialist states to defend their revolutionary achievements.

An unbreakable alliance of our fraternal parties, the CPSU and PZPR, who direct our activities and give them their impetus, are the basis of bases for the close cooperation of our states and armed forces.

Cooperating in the resolution of the most important social and economic problems in our countries and also in the international arena, the parties have developed a strong unity of views. The ruling Marxist-Leninist parties play a decisive role in strengthening and promoting Soviet-Polish brotherhood in arms. It was the CPSU and PZPR that initiated and consistently organized all actions to improve cooperation between our countries and their armed forces.

The Soviet Union and Poland's cooperation in various areas and in military cooperation is an objective result of their common economic, sociopolitical and ideological foundations. These foundations are based on the proven principles of Marxism-Leninism and socialist internationalism with equal rights for all and mutual understanding.

Perestroika in the Soviet Union and renewal in Poland are related processes aimed not only at making full use of the potential of socialism in our countries but also at raising that potential to a higher level, increasing the scale of our friendship and brotherhood in arms and broadening our mutual relations. "We were never before so close to each other," said Wojciech Jaruzelski. "The common goals and search for reform in Poland and the Soviet Union mean that the relations between our parties, states and peoples have reached a completely new level".

The roots of Soviet-Polish friendship and brotherhood in arms have even deeper roots in the histories of our nations. Documents show that during difficult historical experiences, the Russian and Polish peoples often fought together against foreign enemies and exploiters.

But there were also times when exploitative governments of Czarist Russia and Poland deliberately did everything to inflame the poison of nationalism and distrust and to sow antagonism and contention between Slavic peoples. Despite that, in critical moments of history, the working classes in both countries stood together and fought for their rights.

The Great October Socialist Revolution also brought the Polish people their independence as a state. Many Poles took an active part in the revolution and in the struggle for Soviet power. About 250,000 internationalist soldiers including more than 100,000 Poles fought side by side with the Red Army. One of the most famous of the Polish revolutionary units in the Red Army during the revolutionary battles was the Warsaw Red Regiment. Vladimir Lenin spoke to this regiment in March 1918 as it marched off to the front and stressed that they "had the honor to take arms in hand to demonstrate the international brotherhood of nations."

Polish-Soviet brotherhood in arms gained new meaning in its struggle against its common enemy, Nazi fascism. Soviet soldiers and troops of the Polish People's Army stood side by side in this drawn-out struggle. The slogan "for our freedom and yours" was reborn on these battlefields. Beneath standards bearing those words, Polish and Soviet soldiers went off to bring freedom to Poland so cruelly tormented by war. The Polish troops carried these banners from Leningrad to the ruins of Berlin.

Our nations paid a great price for this victory. More than 20 million Soviet citizens and 6 million Poles perished in the flames of this struggle. The 600,000 graves of Soviet soldiers fallen to free Poland from the Nazi yoke attest to the great and holy generosity of our brotherhood in arms. The Monument to Polish-Soviet Brotherhood in Arms is being built near Ryazan. It is no coincidence that it is being built there nor that it is being made from granite and metal. It represents the unbreakable unity of our peoples and the uncorruptible friendship and brotherhood of our armies.

The internationalist significance of the Soviet-Polish fraternal tie became quite clear at the beginning of the 1980's when the enemies of socialism, supported by outside imperialist forces, created a threat to the revolutionary achievements of the Polish working class by trying to use the Polish People's Republic as "the first link in a chain reaction to break down the postwar political and territorial balance of forces in Europe". The Soviet Union and other socialists loyal to their internationalist duties strongly stated that they would not leave fraternal socialist Poland in need nor would they allow her to be harmed. Poland's military and political alliance with socialist countries turned out to be an important factor in preventing internal armed counter-revolution and imperialist military intervention. Evaluating the fraternal help of the socialist states, First Secretary Wojciech Jaruzelski said: "Our certainty and peaceful optimism are strengthened by the proof of allied solidarity and trust and the fraternal help received above all from the Union of Soviet Socialist Republics".

In today's hard and complicated times when the Soviet peoples and the Polish nation are experiencing the really great events of reconstruction, we have not only common goals but also a common class enemy, world imperialism, and its aggressive nature has not changed at all. We soldiers of the Soviet armed forces and the Polish People's Army must therefore remain in constant combat readiness and work everyday to strengthen our friendship and brotherhood in arms. We have good conditions to do this. Soviet soldiers have with honor and dignity fulfilled their patriotic duty in Poland. Our relations with the working people of the Polish People's Republic and contacts with party and state organs and the soldiers of the Polish Army follow with the spirit of changes taking place in our countries. Our friendship is growing and blossoming. Daily combat training and

joint tactical exercises on land, in the air and at sea are improving our combat expertise and making us ready to act against any possible enemy aggression regardless of the direction of attack.

The friendship of Soviet and Polish troops has also been enhanced in a shared fight against natural disasters. The Poles will always remember the numerous, difficult situations in which Soviet soldiers proved their readiness to help their Polish friends. Soviet soldiers have many times took up the hard fight against the elements and worked to save people and their property during fires, floods, blizzards and severe winter weather. This is a continuation of their efforts in the fight against Nazi fascists when Polish and Soviet sappers worked together to clear mines from the Poznan Citadel, cleared river channels and saved people and their property from the forces of nature.

The complicated military and political situation in the world makes it necessary for the CPSU and PZPR and the Soviet Union and Poland to pay a great deal of attention to improving the defense of the socialist states, enhancing cooperation between themselves and to strengthening the alliance of the fraternal armies. This is their internationalist responsibility and their most important task. As long as there is a real threat to peace and the aggressive North Atlantic Treaty Organization is functioning, the fraternal parties will do everything they can to preserve, strengthen and improve Soviet-Polish defensive cooperation and our brotherhood in arms.

12261

ROMANIA

Central Role of Party in Socialism, Communism
27000048 Bucharest ERA SOCIALISTA in Romanian
No 24, 25 Dec 87 pp 12-15

[Article by Univ Reader Dr Viorel Popescu: "Continuing Consolidation of Party Leadership As an Objective Law of Socialist and Communist Construction"]

[Text] In Nicolae Ceausescu's Report to the National RCP Conference, a broad and inspiring program for the entire people's work, effort and action, the problems of the RCP's leadership in the revolutionary process of purposeful construction of the new order were the subject of an in-depth scientific analysis based on careful study and evaluation of the action of the general laws of socialist society's development under Romania's particular conditions. In summing up the lessons and conclusions drawn from the party's long and valuable political experience, as well as the objective demands upon its activity under the new conditions of Romania's socialist development, with dialectical flexibility and his well-known power to interpret the essence of social phenomena, Nicolae Ceausescu very clearly brought out the main factors and courses of action that necessitate further consolidation of party leadership and, in close

connection with that, the growing responsibility of the party organs and organizations, personnel and all communists in improving political-organizational work, promoting revolutionary spirit, and strengthening party discipline as decisive factors in socialist and communist construction and in good management and organization of all activity.

The analysis made and examination of the many correlations among the processes and phenomena determining the aims and tasks of the present stage of building the fully developed socialist society warrant the exceptionally valuable theoretical and practical conclusion as to the regular necessity of confirming the party as the vital center of the Romanian socialist nation. Nicolae Ceausescu says, "We have a strong and young party that has proved in its entire activity that it is honorably performing its historic mission undertaken for the people. But now it is facing new problems. We must provide new answers concerning the nation's socialist development and further improvement of management, planning, workers revolutionary democracy, and the effort to unite the entire people in implementing the great revolutionary reforms."

The revolutionary view of construction of the new social order, always open to creative enrichment and both theoretically and practically valid, owes its immense reforming power to a considerable extent to its dialectical-determinist character. Both exacting and flexible, opposed by its very nature to subjectivism, voluntarism, and any trends toward automatic operation of the new social order and rejecting any mechanistic or other kind of rigidity and any reductionism, it is distinguished by its consideration of all the factors affecting the success of the most magnificent socially and historically creative undertaking known to man, as well as the laws that operate in that process and the relationships between the general and particular, national and international, internal and external, objective and subjective, among the economic, social and political, between social existence and social awareness, etc.

Realizing that socialist construction rejects any mechanical trends and that it must be thought out and implemented according to the particular national-historical circumstances, in the years since the Ninth RCP Congress especially the RCP has been emphasizing, in the course of its extensive efforts, knowledge and use of the objective laws of socioeconomic development in accordance with Romania's distinctive features and conditions and with those of each stage of the revolutionary process. The policies and principles developed on this subject by the party secretary general are notable contributions to the creative enrichment of scientific socialism by virtue of their theoretical and practical values.

Party leadership is one of the most important general laws of construction of the new order, and Nicolae Ceausescu has made a brilliant contribution to its formulation and to the definition of its scope and courses of action as well.

An Objective Historical Necessity

As we know, the independent political organization of the working class was regarded from the start by the founders of scientific socialism as an objective necessity, vital to the emancipation of the working class and all workers, in the origin and evolution of the new kind of social system. Revolutionary experience provided the practical support to make the principle of the necessity of party leadership of the working class one of the fundamental truths of social science, while it also brought out the growing diversity of forms taken by that necessity in the reality of socialist construction, reflecting each country's distinctive national-historical characteristics.

As a general law, the relationship between the party as the leading political force and socialist and communist construction summarizes the characteristics of determinism and social progress as well as the nature of the new order and its economic, social and political structure and the fact that the working class plays a leading role in the process of creating the latter. Party leadership was originally a necessity of the organized struggle of the working class under the old regime, and later it actually became an objective law of socialist society and of construction of the new social system. Having radically changed relationships of ownership of the production means and the other economic, social-political and cultural structures and having made the working class the leading class of society, the socialist revolution, won under party leadership, is also a revolution in the functions and responsibilities of the party itself by virtue of its promotion of a new kind of historical development.

A society structured in the light of new values, the outcome of abolition of private ownership of the production means and man's exploitation by man, founded on socialist ownership, and governed by the principles of social and national equity and justice and of revolutionary humanism makes a purposeful socioeconomic development both necessary and possible by rejecting the course of automatic operation causing alienation in large communities. For the first time in the long process of mankind's development, the formation and evolution (by virtue of historical necessity and the social laws) of a social structure are equivalent to its knowledgeable creation by the working class, in the lead of the broadest masses and under the guidance of its revolutionary party. The achievement of this undertaking, which requires control of developments in all social sectors and of the whole movement of the social system, furthers to an unprecedented extent the active role of the subjective, purposeful element, whose chief representative is the revolutionary party of the working class, the social-political force with the critical role in revolutionary social reform and in the involvement of all categories of workers in that reform.

Accordingly the advancement of socialism and communism requires "discovery" of the mechanisms of historical development that permanently combine the factors

of organization, management, social awareness, scientific knowledge and creativeness (defined in the light of the interests of the working class and of workers in general) with the objective laws of social development, so that social changes will be planned by people and accomplished as their purposes. The implementation of this combination in practice is not the result of any automatic social developments. It is done through a series of primarily political structures under the RCP's lead.

The theories of historical and dialectical materialism and scientific socialism (as means and methods of determining reality and guides to revolutionary social reform), social organization by the party on the principles of those theories, and its capacity as the true representative of the workers' interests enable it to secure the uniform operation of the political system and to develop and apply in practice, jointly with the working class and the people, realistic and scientific plans and programs that direct all socioeconomic development. The new kind of historical development accordingly becomes real through the exercise of the party's leadership, making it one of the party's basic laws.

Making historical development purposeful is an extremely difficult task, because it requires mastery of the most complex of the known forms of movement of matter. Moreover, in addition to consideration of the internal, national factors and intensive study of the phenomena and trends peculiar to each country, allowance must be made for the growing worldwide interdependence, for the coexistence of countries with different social systems and levels of socioeconomic development, and for the multitude of problems of an unprecedented scope and gravity that are facing all mankind. Under those circumstances, purposeful development of socialist society demands, as a first requirement, study and knowledge of the specific facts, not only in order to cope with any foreseeable situations but also to control the complicated existing situations, to devise suitable strategies for them, and to find ways and means of solving the problems and securing further social progress. Accordingly socialism is proving to be the only society able to provide the right answers to the questions of our times in the interests of man and the peoples, and that ability is inseparable, on the basis of its objective structures, from exercise of the revolutionary party's leadership.

Basing purposeful historical development on scientific knowledge and exercise of party leadership in society under the auspices, generating social and human efficiency, of science and the workers' creative participation is a contribution with wide theoretical and practical implications on the part of the RCP and its secretary general to the determination of that kind of development.

But purposeful social development is not limited to planned development in the narrow sense of the word. It is both scientific and democratic planning at the same

time, requiring formation and development of the workers' advanced revolutionary awareness through an intensive ideological and political-educational effort by the party, as well as their active participation in determining the objectives of building the new order and in implementing them consistently, and broadening of their scientific, professional and cultural horizons as well.

So regarded, purposeful development is synonymous with the display of creativeness in mass proportions and in all activities, and the party is the element that encourages that creativeness and channels it in a single direction because it is itself and must always be, as Nicolae Ceausescu says, the embodiment of the creative, innovating and revolutionary spirit in theory and practice, the bearer and promoter of the new, and the tireless and intransigent opponent of the old in any of its forms.

Resolution of the alienations caused by the inability of a society based on exploitation and oppression to control its own processes and elimination of situations where people are involved in a social change which they cannot control and which deprives them of any certainty of the future open up extensive opportunities to enhance man's constructive inclination, to raise it to levels inaccessible to the systems of the past, and to extend it to social relations and structures and to society as a global system. Man (the people) as the creator of history is a general constant of human evolution, while man (the people) as the purposeful creator of new social structures and a new society according to his aspirations and allowing for the objective laws is the man of socialism and communism who makes the processual "leap from the rule of necessity to the rule of freedom" and who chooses, plans and controls the ways of social progress under party leadership.

Adversaries of the new social order often regard the leadership of the communist parties in the socialist countries as a subjective question and as their justification of their positions of power and prohibition of pluralism of political forces, interpreted in the sense of the western competitive model. Actually Communist Party leadership in socialist construction is an objective law, confirmed by socialism's whole development, and certainly no result of subjective wishes. Moreover, history always dashes sooner or later any wishes that are not in accord with objective necessities, requirements and conditions. Nor do the statements of some western ideologists that the existence of the Communist Party as a single party is "incompatible" with the democratic values stand up to any scientific analysis or any comparison with the facts, because the Communist Party, the party of the working class and workers, has fully proved that it is the bearer of the most advanced democratic values of our time, namely freedom from any social or national exploitation or oppression, all workers' full equality of rights, the people's real participation in the processes of social management, etc.

Actually, as Nicolae Ceausescu says, democracy is not measured by the number of political parties but by the opportunity it gives all citizens to participate in social management. Those who want to transplant a pluralism of the western kind to the socialist countries ignore the fact that it would have no basis in a society built upon socialist ownership of the production means and upon abolition of social and ethnic antagonisms and of exploitation and oppression of man by man. It can accordingly be concluded that socialist ownership of the production means which, as the party secretary general says, "is one of the basic and controlling objective laws in comparison with other economic laws," is an essential requirement from which the law of the revolutionary party's leadership in socialist society flows and on the basis of which it operates.

Meanwhile, the principle reaffirmed by the party secretary general at the recent National Party Conference, that "Development of workers revolutionary democracy does not call for reduction of the party's role but particularly requires development of its role as the most advanced and purposeful force and the vital center of the nation, with the mission of uniting the entire people's forces in a single direction," has an outstanding theoretical and practical value.

The "correctives" introduced in the present period in the theories developed by Marx, Engels and Lenin concerning the necessity of the leadership of the revolutionary political party of the working class in socialist construction and revolution serve to bring out a series of new factors whose operation, so far from diminishing that necessity, accentuate it even further. The fact is that the present rate of historical progress differs from that in the previous periods, that the impact of the very important process of technical-scientific revolution and of the global problems largely caused by it is complicating the internal and international conditions under which socialist social reform is going on, and that that undertaking requires performance, within the continuous revolutionary process, of tasks in many forms that are far more difficult than they were believed to be in the past, as well as resolution of contradictions in various sectors of society, elimination of any manifestations of idylism or triumphalism, etc. Accordingly, party leadership has qualitatively new determinations compared with those pointed out under other historical circumstances by the founders of the revolutionary theory of the working class.

The Party As the Vital Center of the Whole Social Body

In analyzing the regular necessity of developing party leadership, like any objective social law as a matter of fact, it is not enough just to answer the question why the respective relationship is regular. It is also very important to answer the question how the respective law

manifests itself under the particular conditions in a given country in a given stage of the revolutionary process. Two main points are conspicuous in this respect.

The first one is the fact that, like all social-historical laws, this one also manifests itself against the constantly changing and renovated background of human activity, and in its very origin and further manifestation the objective necessity is closely involved with an extensive revolutionary effort by the party in the vital interests of the working class and the people. It is present in the origin of what is called the historical legitimacy of party leadership.

Nicolae Ceausescu says, "All the great revolutionary reforms and the notable achievements in Romania's socialist construction and development were accomplished under the leadership of the glorious RCP, which has been honorably fulfilling its historic mission as the leading political force of the entire nation on the new course of socialism and communism!"

The principle that any automatic actions are foreign to the law of party leadership in society, either as the origin or as the fulfillment of its requirements, is a noteworthy contribution of Nicolae Ceausescu's to its formulation, since the interaction between the objective (the necessity of party leadership) and the subjective (efforts to exercise it according to the requirements of each stage, constant consolidation of ties with the people, their participation in making and implementing its policy) pertains to its intrinsic nature itself.

The second point concerns the specific ways and forms of activity under the given national-historical conditions whereby the law of party leadership is actually carried out and meets its particular requirements or, by a term current in the social-political sciences, performs its essential functions, namely making the general policy for building the new order and the organizational and ideological functions. On this level, the general objective requirements are closely involved with the ability of the party itself to devise its ways and means according to the conditions under which it operates as the leading political force of society.

The revolutionary and certainly original view developed after the Ninth RCP Congress by Nicolae Ceausescu that the party is the vital center of the whole Romanian social system is basic to a new and qualitatively better practice in the exercise of party leadership in society. The central idea in this view is the complete integration of the party in society with performance of its functions from within society, the social-political bodies and the people, strengthening the character of the party's leadership as a law (assimilated more and more thoroughly in the social system).

As the party secretary general said in his Report to the National Party Conference, "In all activity we have proceeded from the fact that in all socioeconomic fields

and sectors the party must fulfill its historic mission, exercise its leadership, and unite the entire nation's forces in implementation of the party's and state's domestic and foreign policy. The party is the vital center of the Romanian nation that radiates the light and creative thought that guides the Romanian people's firm advance on the path of socialism and communism."

The innovating view to which we refer has also brought about changes in the activity whereby the law of party leadership meets its requirements, the past bottlenecks in this regard having been eliminated. Making the party a strong mass party and increasingly pronounced promotion of the practice of leading not in the name of but together with the working class and the people actually mean expansion of that field, since exercise of party leadership in society is not confined to party activity but includes increasing participation of the working class and the masses in both making party policy and carrying it out. In that respect, exercise of party leadership is closely interdependent with performance of the role of leading social force of the working class and involved with the further development of workers revolutionary democracy.

The question of the social-historical structure of the manifestation of the law of party leadership have also been clearly formulated in Nicolae Ceausescu's theoretical works. Its character as a general law of the revolutionary process of socialist and communist reorganization of society is to be understood both in the sense of its presence in any such process regardless of the social-historical conditions, although it is implemented in accordance with them, and in the sense of including, on the national level, all components of the overall social system and all activities. Nicolae Ceausescu also pointed out in his Report to the National Party Conference that no activity can remain outside of party leadership and that the party exercises political leadership of all society.

Another characteristic of the law of party leadership in building the new order lies in its historicity and in modification of the courses of action according to the stages through which socialist social development and the continuous revolutionary process of its evolution pass. Firmly anchored in the specific national-historical facts, requiring its involvement in relations with all components of the political and social system, in connection with which it performs its role as the leading political force while constantly promoting revolutionary innovations in the whole social structure, the party does not remain immutable. In performing its characteristic role while being closely integrated in society, the party is involved by its activity in all the responsibility of a government party in all economic, social-political and cultural-intellectual fields and acts together with the working class and the masses. While modeling, in the course of this revolutionary process, all social activities according to the requirements of the objective laws, the party itself goes through a continuous process of self-modeling and self-improvement at the same time and by

the same standards, the nature and purpose of which is to keep developing its political leadership, while that development brings out the fact that the revolutionary party's leadership is gaining more and more ground as an objective law of the new social order.

Consolidation of the regular character of social management by the party through constant enhancement of its role is a purposeful process, like the whole evolution of the social system, and one opposed to automatic action. This requires constant improvement of party work and of the approach and working methods of all administrative bodies according to the requirements of the present stage. The documents of the 13th Party Congress and the recent National Party Congress and Nicolae Ceausescu's speeches present those requirements most clearly, which include modernization of the national economy on the basis of the new technical-scientific revolution and the new agrarian revolution; intensive socioeconomic development, wherein the indicators of quality and efficiency are most important; Romania's rise to the rank of a medium developed country and later to that of a fully developed socialist state; enhancement of workers' revolutionary socialist democracy; a true revolution in the workers' technical-scientific, occupational and political-ideological training, etc.

Growth of party leadership is made effective by the party's purposeful acceptance of these necessities and by their reflection in its whole nature and activity and in the general activity of the working class and the people. The respective process accordingly reflects the dialectical unity of the party's practical activity in direct management of socialist society with the objective necessities, determination of them and their transfer to the party's political policy. The conclusions formulated by Nicolae Ceausescu are to be understood in that sense, to the effect that enhancement of party leadership is no abstract slogan but acquires specific content through the activities of its organs and organizations and of every communist, through constant improvement of party work by means of widespread promotion of the new in all its components and firm elimination of the old, and through intensive promotion of the revolutionary party spirit in all sectors. That is the only way the party and its organs and organizations can better perform the increasingly complex tasks demanded by the general progress of Romania.

Better Performance by Party Organs Essential to Growth of Party Leadership

It is a basic characteristic of the law of development of party leadership in Romanian socialist society that fulfillment of its requirements necessitates in-depth knowledge and prudent use, according to the particular conditions in each stage of socialist construction, of the other laws operating in socialism or governing social development in general. This characteristic is due to the circumstance it is impossible to manage revolutionary reform

without knowledge and consideration, in all social practice, of the objective economic and social laws of socialist construction and development. Party leadership in socialist society accordingly requires knowledge and purposeful use of those laws. Nicolae Ceausescu says, "The task of the revolutionary party is to thoroughly understand both the general laws and the particular conditions under which they are to be applied, as well as the social and economic facts in each country and in each historical period in order to act in accord with them."

Nicolae Ceausescu severely criticized the tendency to believe that socialism can do anything, stressing the need for the new order to allow for the objective laws of socioeconomic development and to act in accord with them. Even if management is still an art, it cannot be efficient without knowledge and use of the laws of social progress. From that point of view, management is essentially the art of using the objective social laws according to the specific-historical conditions.

It is evident that history cannot be purposefully created by ignoring or evading objective social determinism and the laws characteristic of its natural movement. It can become a reality only through scientific strategies based on sound knowledge and proper use of the general and specific laws of the new order. Party management of socialist construction is based on such a strategy. To that effect, Nicolae Ceausescu pointed out the essential fact that "We must better understand the laws of socioeconomic development and the trends of mankind's general development, and we must purposefully use and apply the general objective laws to the specific conditions in Romania...."

As the documents of the recent National Party Conference point out, socialism is built under conditions differing from one country to another and from one stage to another, so that there is and can be no single model for building the new order. Every party and every people are called upon to apply the principles and general laws of scientific socialism to the actual conditions in their own countries.

The profoundly scientific nature of the RCP's policy, its immense reforming power, and its ability, fully proved by experience, to bring Romania up to ever higher peaks of progress and socialist and communist civilization are inseparable from knowledge and use of the objective laws of socioeconomic development and their creative application.

Based upon the operation of objective laws, development of party leadership as a practical process requires a regular effort to improve the political and organizational work of the party organs and organizations, display of a firm attitude on their part toward defects and shortcomings of any kind, greater responsibility on the part of personnel and communists, stronger party discipline, militance and revolutionary spirit in all activities, party control over implementation of adopted decisions and

measures and laws of the land, observance and implementation of party regulations and the principles of socialist ethics and justice by all communists and administrative personnel, more intensive political-ideological training and improvement of the professional, political and ideological levels of personnel and activists and all party members, and general improvement of the working methods and approach on all levels and in all activities.

Performance of all practical and managerial activity of the party organs and organizations in the light of these basic requirements can bring about a powerful mobilizing spirit, a responsible attitude, and high standards in performance of the assigned tasks and party measures and decisions. The special emphasis that the party secretary general placed again, at the recent National Party Conference upon the traits that should characterize the party's working methods and approach directly applies to radical improvement of all activity, complete elimination of complacent, indulgent and passive attitudes toward various bad situations that have occurred in one sector or another, and a stronger critical and self-critical spirit, which is an effective method for preventing the defects in the work of the party organs and organizations or discovering them in time and for promptly solving the problems that face every collective. As Nicolae Ceausescu said at the National Party Conference, "Now that we are totting up the balance of the great revolutionary reforms and marking out the prospective paths up to the year 2000, we must also analyze the way the party organs

and organizations have performed their role and mission as the leading political force, determine the necessary measures to very firmly eliminate the shortcomings that still exist, and work for improvement of the activity of the party organs and organizations in accordance with the new requirements of the revolution and of unfailing fulfillment of the current five-year plan and the long-range tasks to the year 2000."

Continuing renovation of the working methods and approach of the party organs, managerial personnel and activists as well as promotion of the revolutionary spirit and the spirit of work and sacrifice should directly affect the party's ability to take determined action to eliminate bad situations immediately in all fields and to improve managerial and planning activity and party work as a whole, thus enhancing party leadership in all economic and social sectors. As Nicolae Ceausescu said in his Report to the National Party Conference, "We must fully realize that accomplishment of the great aims specified in the current five-year plan and in the long range up to the year 2000 and complete achievement of socialism in Romania are an important stage of the socialist revolution, and it cannot be accomplished without a high, aggressive and demanding revolutionary spirit and without constant development of the leadership of the party, every party organization and all communists in all activities."

5186/08309

CZECHOSLOVAKIA

Associating Under Economic Restructuring Discussed

24000079a Prague RUDE PRAVO in Czech
3 Mar 88 p 4

[Article by Engr Karel Silpoch: "Will Association be Possible?"]

[Text] The restructuring of organizational structures of the enterprise base is aimed at several significant goals, primarily creation of conditions for implementation of the law on national enterprise. The current organization structure should be changed by mid 1989, enabling the elimination of the middle link of management function and establishing national enterprises as the basic link of the national economy with a direct relation to the federal plan and budget.

Because this process of restructuring will preserve all significant technical and technological relations, new relations, primarily of economic nature, will also be established. These will not be only new direct links to the federal plan and federal budget and the budgets of the national committees, but also links reflecting relations between the national enterprises and other economic organizations. These will be the new relations not only in form but also in their intent. Here we also have to look for one of the building stones of the new concept of supply and demand relations.

The current practice apparently knew of no other solutions but to combine the enterprises organizationally and then create a corresponding management team. The original intent, to best attune the enterprise interests, was usually pushed into the background by further developments and the newly created management team gradually subordinated the enterprise interests to interests of their own existence. Such "associating" will no longer be possible in the newly established national enterprises.

Objectively, there will continue to exist national enterprise interests which will be forcing them into very close cooperation. Therefore, some type of associating will be necessary; better stated perhaps, the associating of assets and activities. The important and new in the concept of the law on national enterprise and in the new economic mechanism is, that this will not be a "superstructure" form of national enterprise and the creation of additional levels of management, but associating for the purposes of strictly defined activities. [It will be] a specific purpose associating of assets or activities or both, in a temporary or long-term, with one or more partners at home or abroad. All that will be possible, and even necessary, from the point of view of national enterprises and developmental needs of the national economy. Nor is it assumed that the organizational forms of enterprise associations will be binding. It will be entirely within their purview to choose the extent and

form according to their possibilities and needs. There is only one condition for the special purpose associating of the national enterprises given in the law; that the goal of such an association will NOT be a creation of production or marketing monopolies which would, in effect, contradict one of the intents of restructuring of the economic mechanism, and that is, to change the existing producer's market into a consumer's market.

We could provide a long list of interests of national enterprises as to why they should associate their assets and activities. One of the most important, for example, is the concentration of forces in technological development, during a production cooperation effort, in educating the youth at the intermediate vocational schools, in marketing activities, and securing services for production, etc. Partners can also be other economic organizations, cooperatives, universities, foreign partners, etc. The decisive factor will be the common interest of the partners and their own intentions based on direct responsibility for the corresponding share of the associated socialist enterprise.

The organizational legal form may be selected by the associating enterprises according to their needs and notions within the limits of the Czechoslovak Legal Code. But it will always be based on contractual agreements which delimit the rights and responsibilities of the associated partners. Even an association with the status of a legal entity could be created with a corresponding organization which will act on account and in the name of the participating enterprises to the extent outlined in the contract or to manage the assets entrusted to them. But even in this form it will not be a newly created economic organization, because it will not have the character of a basic link in the national economy with its relations to federal plan and budget. In such cases, these responsibilities will remain the responsibilities of the individual enterprises associated for the special purpose. It is then obvious, from the preceding, that special purpose associations of assets and activities is a voluntary right of the national enterprises and that all risks connected therewith will revert to them and they will bear the final responsibility. Therefore, it will always be in their interest, that all associated activities and utilization of associated assets are managed by the same *khosraschet* [cost accounting system] principles used by the participants in the association.

That is only understandable, in view of the role which the national enterprises will play in independent decision-making concerning their assets to be used for the task accomplishment. It includes the means of the organizational relations with the environs. Nevertheless, it can be assumed, that during the setting stage of the enterprise tasks, in search for new ways to ensure them, the need to associate will gradually arise. The decisive factor will be the economic accounting which will point the way not only to the issues, but to the acceptable form

of association. And here also, it must reflect the new type of economic thinking in management and collectives of the newly created national enterprises.

Enterprise Base Restructuring Discussed
24000079c Prague *LIDOVA DEMOKRACIE* in Czech
7 Mar 88 p 1

[Text] In recent days, certain central press media published the "Principles of Restructuring the Enterprise Base and Placement and Income Safeguards for Displaced Labor." This document pushes the entire effort of restructuring the economic mechanism one step forward, because it establishes how the national enterprises will be formed. It also eliminates the existing branch and territorial intermediate links, which were weakening and diluting the effectiveness of central management and impeding management by the extraordinary costs [of their overhead].

That clearly means, that with the elimination of the VHU [Economic Production Units] and their general management headquarters office, we will move on to a simpler and more rational principle of a two-level management of the economy and to some entirely new planning methods. Similarly, other branch and territorial intermediate management links in all branches of our national economy (to include agriculture, retail, services, health, etc.) will be eliminated. New national enterprises and other management organizations, equipped with capital and labor resources, will be created. These measures were taken when it was demonstrably proven that our current production structure was no longer meeting the needs of socialist society. Frequently, monstrous production conglomerates with a virtual monopoly in certain products were created. These made no attempt to adjust to the needs of domestic or foreign markets. On the contrary, they tried to force their, sometimes obsolete, goods on the consumer.

The principles of restructuring are expected to create conditions for setting up a flexible base consisting of economic organizations differentiated by size and technology and located regionally according to the needs of economic and social development, as well as conditions for developing labor initiatives. In addition to large and medium enterprises, our economy also needs small ones which will meet a broad scale of needs of our society.

Creation of new national enterprises must be well thought out to make the structure of national economy highly effective. These state enterprises must be capable of self-financing, competition in foreign markets, and be able to independently develop and implement a concept leading to most efficacious satisfaction of the needs of society. A proposal to establish a national enterprise must demonstrate the ability of such enterprise not only to manage independently on the basis of a full scale

khovraschet [system of cost accounting] and self-financing, but also the ability to fulfill tasks set by the five-year plan and those flowing out of the consumer contracts.

It is essential that the published "Principles" make it possible that proposals for the establishment of national enterprises include not only enterprises but also plants. This should be so even if their superiors disagree with the change. It is interesting to note that the [ministerial] branch cannot use as a reason for refusal, for example, that the enterprise would end up with reduced production assets because it is expected that measures for balancing out the start-up differences in the conditions of the organizations will be taken. The CPCZ and trade union organizations will also present their views of the matter in pertinent enterprises. As a last step, individual projects of organizational department restructuring will be submitted to central organizations and the federal government will decide on merits of their realization.

The first stage of the conversion of existing economic organizations to state enterprises will be carried out as of 1 July 1988 and the conclusion of this restructuring is expected by 1 July 1989. Of course, even then, the need to adjust the production base to the societal needs will remain. Together with the restructuring of the production factors, we are preparing a new arrangement of the central management to make the structure and operations of the center more effective; specifically, in the ministries and other central organizations. It is certain, that the number of central agencies will be limited and the number of employees will be reduced. Appropriate social and work placement will be assured for the released employees, based on the conditions established by the "Principles." The organization of the preparation and implementation of the restructuring of the production base within jurisdiction of the branches is the responsibility of the ministers and supervisors of central agencies, kraj national committees and national committees of our capital city, Prague and the capital of the Slovak Socialist Republic, Bratislava.

Problems of Indebtedness Viewed
24000079b Prague *TVORBA* in Czech 16 Mar 88 p 5

[Articles by Otomar Simak "Which Road Do We Take" and by Frantisek Nemec "Credits Must be Used Effectively," both in *TVORBA* 16 Mar 88 p 5]

[Text] In an article "This Is Not Our Way" in the No 4 Issue of *TVORBA*, Jan Vecer demonstrated the disgraceful effects of the indebtedness on some of the socialist states and their economies. By no means do I wish to polemicize the truly catastrophic results of a high foreign indebtedness in Poland, Yugoslavia, or Romania. The bitter experiences gained by these countries is an immeasurable lesson for us. In light of current events, the question of effective utilization of foreign credits in our

economy is somewhat different from the time when those countries were building up their debts. Let us attempt to summarize the situation in several points:

1. The Czechoslovak industry today is short a few billion korunas in machine tools and, in spite of the fact that the modernization of the industrial base has been accepted in a number of governmental resolutions and this problem has been on the Federal Assembly agenda a number of times, the aging of our industrial parts continues. Furthermore, this disproportion between the needs and the resources is occurring at the time when all socialist countries wish to modernize production and the demand for top-of-the-line technology highly exceeds the supply.

2. Although the Czechoslovak foreign trade is oriented primarily toward the CEMA countries (approximately three quarters of the volume), that does not mean that we should not start polishing up our good name as a producer of high technology level, quality consumer products. The low share of our foreign trade with developed capitalist countries—approximately 15 percent—becomes a serious impediment of our trade with socialist countries. Specifically, they are now demanding high-quality products which we can achieve only by using materials and components imported from capitalist countries. But the import must be compensated by export and we find ourselves in a deteriorating position as a result of our obsolete equipment. Let's not fool ourselves into believing that our position on these markets is constant, if unremarkable. There exist newly industrialized countries, particularly Asiatic ones which, although not considered developed, are capable of flooding the markets with high quality products at prices below the world average.

3. We definitely cannot live under the illusion of regaining the lost markets by mere administrative changes in production or in foreign trade. If we compare the per kilogram prices of exported goods, we do not obtain very flattering numbers. They are below the world average in all commodities, beginning with machine tools which are the backbone of our export, and on to traditional types of goods such as porcelain, ceramics, textiles, and footwear. What is especially threatening is that we are achieving significantly lower kilogram prices than developing countries. Not even at the price of low effectiveness of our foreign trade with nonsocialist countries did we manage to achieve the planned volume of exports into these countries and this year we are again expecting a drop in competitive ability of Czechoslovak products, primarily engineering products. The perspective is again clear: qualitative growth in our production conditioned, of course, on the modernization of our production base.

The interest rates have dropped substantially during the 1985-1987 period, that is to say, credit became less expensive. In view of the formidable indebtedness of the developing countries, the socialist countries today can obtain foreign credit under vastly improved conditions than was the case earlier, because they represent a

reliable debtor to the creditors. Socialist country obligations in freely convertible currencies have increased in the years 1985-1986 from 96 to 115 billion American dollars. Many of the countries took advantage of the dropping rates and were paying off existing credits with newly obtained, and less expensive, loans. Of all CEMA countries, Czechoslovakia's participation in these transactions was minimal.

In the interest of maintaining our share of foreign trade with the CEMA countries, we need to expand our trade with developed capitalist world countries. For that purpose, we must find such commodities which would fare best under the hard competitive conditions. A major role could be played by our consumer industry where the technological production backwardness is not reflected in the standards of goods as much as in other areas, on the assumption of small batch, high-quality assortment. With relatively small investments we could also place greater emphasis on tourism as the source of freely convertible currencies. Hungary last year attained \$5 billion from tourism while Czechoslovakia achieved a mere \$80 million. It is good to know that some measures have already been taken to increase tourist travel in our country, even if they have not yet fully taken effect. But these continue to be only partial solutions.

A necessary condition for restoration of our machine tool industry position on foreign markets is the overcoming of the technological barrier in our production assets. And it is here that the foreign credit, together with the modern forms of cooperation with foremost world producers, could play a positive role. We are concerned primarily with the licensing and subdelivery relations, cooperation, and capital participation. Although the foreign credit of and by itself cannot bring about changes in our economy, it would enable us to accelerate the restructuring outside of and within the branches. It is obvious that the modernization of the Czechoslovak engineering will not be possible without structural changes. We then could use some of the currently underutilized advantages of our economy, such as, high flexibility, medium and small batch production of high value added machine tools, and fuller utilization of the intellectual capacities of our society.

After all, we cannot isolate the Czechoslovak management from other mature economies and avoid a comparison with the world standards. We can take a lesson not only from the failed steps of some of the socialist countries but also from their experiences in searching for new methods of doing things. Let us not limit ourselves to the awareness of which way not to go. It is in our interest to find the right way.

Credits Must Be Used Effectively.

Not only developing countries but even some socialist countries are having economic problems caused or magnified by the utilization of foreign credits. They are

unable to make the payments on principle and, frequently, the interest, on time. They accept further credits just so they can meet their current obligations.

The reasons given by Jan Vecer in his article "This is Not Our Way" (TVORBA No. 4/1988) for considering it disadvantageous for our country to be going the credit route are very convincing. None of us would want to land in similar problems. But why is it, that attempts to accelerate the economic development by credits if failing in some of these countries and, instead of the anticipated improvements in the economic standards, they are causing a worsening, frequently, of catastrophic proportions.

The credits are being used routinely in the developed countries and they bring about further development and further increase in profits. And I do believe that the reason is not the rate of interest, since that tends to correspond to the levels of inflation.

In my opinion, the reason for problems with foreign credits is a lack of ability to make the best use of it. We must realize, the acceptance of a foreign credit means a direct participation under the toughest conditions of the world economics where hard fought battles rage which are mercilessly won by the most successful. Our economic organizations are not yet prepared for such conditions.

The foreign credit can only be used for investments which will insure that even after the payment of principal and interest, there is still the usual profit. Of course it is an absolute economic dillitantism when these countries use the credit for purchases of consumer goods. The investments, for which foreign credit has been used, must be made operational in the shortest possible time. Every delay causes a loss. In this sense we have a lot of catching up to do. (We just have to compare the construction of a hotel at the Gottwald station with the modernization of the retail store national enterprise Kniha (Book) at the Wenceslaus Square; both actions will take the same amount of time. The hotel is being built by a foreign construction company.)

Goods being produced in the newly created facilities must meet the world top-of-the-line standards and achieve the highest prices. It is understandable, that products made in facilities purchased on credit must be made at minimal costs. This includes a two-shift work schedule. It just is not possible to accept shortcomings in the utilization of the work period.

The fact, that we are not able to accept foreign credits is the proof of some serious shortcomings occurring in our economy. The condition for using foreign credits is the effective utilization of all possibilities. But then, we should be using the same efficiency in utilizing the investments made from our own resources. That is the only way we can come close to the labor productivity of

the most developed countries. Let us, therefore, understand the fact that we are unable to take advantage of foreign credits also as a criticism of our low current word standards.

Catastrophic Condition of Capital Assets Noted
24000075b Prague SVOBODNE SLOVO in Czech
5 Feb 88 p 5

[Article titled: "The Reasons for Obsolescence..."]

[Text] The disastrous state of our consumer industry's capital assets is generally known and has been for quite a long time. This leads inevitably to deterioration in the goods offered on the domestic market and to a further obsolescence in the branch.

Committees of the CNR (Czech National Council) discussed the reasons and prospects for the Czech textile, clothing, and leather industry, not by any means for the first time. The CNR committee for planning and the budget yesterday again took up modernization of the technical bases of these branches. Representatives of the CSR (Czech Socialist Republic) Ministry of Industry stated, among other things, that the level of worn-out capital assets in the textile, clothing, and leather industry is roughly 65 percent and even the planned modernization in no way will stop the further obsolescence of the technical base.

The reasons for nonfulfillment of the tasks in the previous 2 years are thus just a consequence of the neglect of this area. Our engineers are also greatly in debt to our consumer industry. The Czechoslovak textile engineers do not have modern machinery in the production program for the manufacture of goods at the world level of quality. Shoemaking machinery is delivered, but not in the needed configuration. And as far as leather-working machinery is concerned, it is up to world standards, but we manufacture it only for export.

Since 1986 there have been modernization programs worked out for this 5-year plan which should at least somewhat improve the current catastrophic situation in some enterprises for our consumer industry. New machinery and equipment, for example, which were imported from nonsocialist countries this year at a cost of 913 million korunas in fco prices, should also increase the productivity of labor which is about 20 to 50 percent lower in these branches than in the industrially advanced countries. Higher quality goods which meet world standards of fashion should thus appear on the market, such as brushed cotton fabrics for leisure time outerwear, a larger assortment of lingerie and stockings, cloth shoes, etc.

Committee representative J. Krasky stated, among other things, in his speech that we cannot in the future allow the practice of piecemeal doling out of resources to continue since it leads to a situation where the ministry or VUH (economic production unit) distributes finances

among all the enterprises. They then buy two or three modern machines, but the rest of the equipment continues to get obsolete and reduces the planned growth in the productivity of labor. A comprehensive solution to the problem is needed. In conclusion he mentioned that it likewise is not possible for us to produce the entire product range of consumer goods and it will be necessary to cut off unproductive manufacturing and enter more into international cooperation.

6285/12232

Shortcomings of Plan Fulfillment Examined

24000075a Prague LIDOVA DEMOKRACIE in Czech
2 Feb 88 p 1

[Article by Lik: "The Second Year"]

[Text] At the end of last week the Federal Statistical Office published its Report on the Development of the National Economy and Fulfillment of the State Plan of the CSSR in 1987.... And we thus again had the opportunity to look back on last year and in all responsibility judge what we did or did not succeed at last year and where and how our economic results differ from our original ideas. In short, where we are better off and where we are lagging behind.

It really is impossible not to see the enormous amount of work that we did together last year, the second year of the Eighth 5-Year Plan; one cannot deny that the Czechoslovak economy again progressed forward (even though this time it was a shorter step forward than in the previous years) and that tells us a lot. But we would be bad managers if we did not want to look at, so to speak the other side of the coin, the errors and shortcomings that spoil our work.

Let us be frank and admit that there are still more than enough of these shortcomings.

Despite the fact that last year we succeeded in carrying out the planned tasks in the growth of the volume of industrial, construction, and agricultural production, we were not able to master without exception the most important thing, achieving the necessary degree of intensification of the national economy. Many enterprises lagged behind in the quality and technical level of production and the consumption of material, raw materials, fuel, and energy was generally unacceptably high. As to what the situation was last year with the domestic market, each of us can judge from our personal experience. Certainly we were not always satisfied with the quality and even less with the product range of goods offered in quantity. On the market there was a noticeable lack (despite a substantially increased domestic production and large numbers of imports from abroad) of color television sets and we lacked sufficient shoes, underwear, and textiles. Of course, many spare parts were also lacking along with some construction materials (even though the production of construction materials

increased by 2.1 percent while the plan on the contrary reckoned on a drop by 0.8 percent) and a number of other more or less important "little things." The results of foreign trade were also not satisfying, even though we can, on the other hand, rate as very positive the fact that some Czechoslovak enterprises finally "got moving" and started to develop direct relationships with foreign partners, there were 225 such agreements signed by us with just our Soviet partners, to our mutual advantage.

For a long time now our economy has had serious problems with the development of stocks of supplies. Sometimes it is moreover truly very difficult to determine which stocks held in factory warehouses or in stores are usable and efficient and which, on the contrary, signal the various methods of "trickery" or poor-quality and unsellable goods on the shelf. Simply put, this area of management is so intricate (at least in the way the current mechanism works) that the bank often has a hard job in evaluating the development of stocks. But as a whole it can be said that this development is more bad than good; last year we also calculated on shortening the turnover time of stocks (specifically by 2.2 days) and instead the turnover time got longer (by 2.7 days). At the end of the year the industrial departments showed a growth in stocks of Kcs 7.4 billion (and that is even figuring that toward the end of each December various "administrative" methods help to achieve a "visual" reduction of stocks; actually the growth in stocks over last year was substantially higher!).

There is also the serious fact that the strain in supplier-customer relationships is becoming even greater because many enterprises again last year did not fulfill the plan (only partly in some cases) and in so doing disrupted the continuity of production elsewhere (a form of "chain reaction"). Last year a total of 27.6 percent of the enterprise did not fulfill the plan for gross production (in 1986 it was 25.7 percent); 31 percent of the enterprise (in 1986 26.8 percent) did not accomplish the tasks of the economic plans. It is necessary to add in this connection, however, that these figures are influenced to some degree by the experimenting enterprises (last year 13 VHJs [economic production units] and 9 enterprises were involved in the comprehensive Experiment in Increasing Independence and Responsibility); some "classic" indicators of fulfillment of the plan such as, for example, the amount of gross production, etc. are not decisive ones for the results of their management.

But if we put together all the shortcomings which are holding up the progress of intensification, we reach a logical conclusion that we cannot be satisfied with last year's overall results. The slow progress in intensification showed up in the amount of national income created as well; last year it rose by something over 2 percent which is less than what we need (or what was expected).

"Statistics are boring, but they have valuable data..." is how the song goes in a television story. Let us take this to mean that, along with the most valuable data, statistics

also give us such emphatic, objective, and good lessons on what we should finally be aware of in the future. Which is also true of the FSU (Federal Statistical Office) report just published.

6285/12232

Need for Structural Changes To Conform to World Discussed

24000066d Prague HOSPODARSKE NOVINY in Slovak 15 Jan 88 pp 8-9

[Article by Eng Vladislav Bachar, ScC, Institute of Economy, Slovak Academy of Sciences: "The World Will Not Adapt to Us, Are We Able To Adapt Ourselves to the World?"]

[Text] In the annals of the world economic development the 1970's and the first half of the 1980's have left their mark in the form of most intensive and far-reaching structural changes. The changing relations of world powers, an increasing expansion of exports from the so-called newly industrialized countries, the losses of dominant positions of the traditional exporters, primarily of the USA and West Europe, as well as other factors played a significant role in this important process. Structural changes were accelerated by cumulative processes of world economic crisis and by efforts to substantially raise labor productivity and competitiveness of national economies. New branches and productions which were developed at that time decisively promoted an economic growth, the rate of employment, and the dynamism of social progress, but what is more, many qualitative changes which took place in credit, financial and monetary relations were closely connected with the internationalization of the production and capital.

In addition, all those processes have created an external environment for our economy and affected it both directly and indirectly, forcing it to respond in an appropriate manner. In this sense, the author attempts to formulate approaches which may help expeditiously overcome the so-called structural barriers reflecting our lag behind world progress.

Next to an increasing turnover in world trade, foreign economic relations are more frequently adopting the method of cooperation in production, exports of capital, techniques and technology, trade of patents, licenses and inventions, or transactions in world money market. Between 1965 and 1985 the value of the turnover in world capitalist trade rose from \$186 billion to \$2 trillion, i.e., many times the value of the turnover in the world capitalist market of goods and services.

Furthermore, fundamental changes occurred in individual forms, in the structure and in the territorial focus of world trade. New techniques and technology, electrification and robotization of production, and other factors are steadily cutting down the consumption of energy and materials in production and reducing demands for

resources of raw materials and energy in world markets. Price relations and comparative advantages available to national economies are changing. The share of raw materials, fuels, supplies and agricultural products in foreign markets has declined in favor of finished products requiring highly skilled labor, machinery and equipment, production systems, cooperation and processes which, conversely, are changing the institutional system of foreign economic relations.

A New Stage in Internationalization of Production

Internationalization of production and capital is a symptom accompanying the structural changes in capitalist states. World economy has replaced national economies in processes of cost-effective utilization of capital. Therefore, when assessing the economic potential of individual countries, the amount of their capital in their country and abroad is more frequently taken into consideration. Gradual breakdown of barriers which prevented the flow of the capital have intensified its flow which is independent of the flow of goods and services. Internationalization of production and capital makes national economies more open, and activates the interrelations between world economy and national economies. Along with an increasing openness of national economies, the share of foreign trade in the formation of gross domestic product is expanding. From 1965-1985 this share increased in the USA from 5 percent to 9 percent, in Japan from 10 percent to 15 percent, in the FRG from 18 percent to 37 percent, in the Netherlands from 46 percent to 62 percent, and in Belgium whose structure is comparable with the CSSR's economy, from 37 percent to 70 percent.

The growing openness of national economies plays a vital role in the formation of a "unified" process of renewal in capitalist economies and in redistribution of national income through the world market. It enables powerful states to exploit the qualitative changes in world markets. With an advancing internationalization of production and capital, however, problems, disproportions and controversies of the economic systems are also acquiring an international character. The conflict between the "national" and the "international" form is gaining momentum, and has an increasingly strong impact on economic policies of individual states.

The structural changes and internationalization of world economy have aggravated the economic position of exporters of raw materials and food, while favoring exporters of the latest techniques and technology. The industrially advanced states are turning more and more to the production of goods with low material requirements and a higher value added. With its growing volume and value, industrial production is less dependent on the increment of labor forces. At the same time, radical changes are taking place in the structure of employment.

In recent years the importance of international corporations has again increased. They are a vital factor in world capitalist economy. Within the world capitalist system, multinational corporations share one-third of the total volume of industrial production, one-half of the turnover in world markets, and as much as 80 percent of international trade with patents and inventions.

Even Small Economies Must Compete

A relatively separate, and, for Czechoslovak conditions, also most interesting problem concerns the ability and opportunity of small, industrially advanced capitalist states to respond readily to radical structural changes and to the advancing internationalization of world economy.

As compared with large national economies, a higher degree of specialization in small economies is determined by their small territories, their relatively limited selection of natural resources, and their inability to become—and to remain—highly competitive and to offer wide assortments of goods. Structural changes in small, industrially developed states are enforced more easily and efficiently, if their outdated specialized production was based on advantages achieved by the latest techniques and technologies, and if it depended only to a lesser degree on natural advantages. Under the effect of internationalization of production and R&D achievements, the time interval during which individual national economies benefit from comparative advantages has been cut short. Profitability of exports is increasingly the result of the application of the latest techniques and technology; it may be achieved only over a brief period in branches that are not the mainstay of technological progress and that have only few comparative advantages at their disposal.

A problem that arises in this conjunction concerns subsidies to the so-called problem branches, in other words, branches which in the past used to determine the economic growth and employment, mainly metallurgy, shipbuilding, the lower branches of the petrochemical industry, the textile, garment and shoemaking industries, and certain other branches. At present, state subsidies and dumping help ensure the efficiency of exports in those branches. However, as known, the new round of negotiations by the General Agreement on Tariffs and Trade (GATT) is aimed precisely against subsidies and dumping. Agreements adopted within the GATT have practically excluded from international division of labor any state that resorts to protectionism in this area. Therefore, no export-promoting economic orientation may be based on subsidies and dumping.

The above facts are also reflected in structural changes implemented by small, industrially advanced states. In this case, structural changes do not imply an all-out transition from the traditional to new branches because, unlike large national economic entities, small economies are forced to continue their production of traditional

export articles. It is understandable that excessive capacities, above all, in branches that are being cut back (for example, metallurgical industry) impose an unbearable burden on small economies.

Therefore, the fulcrum of production in branches and sectors that are being cut back is shifting more and more conspicuously to higher processing. This shift does not have to result in an absolute decline of production, because, with the utilization of the latest techniques and technology, materials are processed to a higher degree and for that reason, the production is also expanded. In case that certain branches that are being cut back are losing their viability in the stepped-up international competition, investments are passed on to branches with a more promising future, such as selected types of machine and electrical engineering, electronics, robotics, and information technology. The basic criterion for grants of investment capital is the opportunity for a future economic growth. The rate of a stable long-term economic growth is thus linked with an accelerated dynamism of exports and imports, which in the final analysis enhances the openness of small countries with advanced industry.

Individual branches of the processing industry differ in their innovating capacity which reaches its top in branches intensively implementing R&D achievements, i.e., the so-called high technology, and which declines markedly in branches based on general and low technologies. Therefore, imports and exports of high technology represent the most dynamic trends and thus, small national economies are searching for directions and opportunities to specialize in this particular area. By the same token, they are transferring their liquid assets to the production of goods that require advanced skills and sophisticated technology, and that are designated for specific areas of world markets. They proceed from an older type of specialization—in whose framework they used to gain comparative advantages from exports of lower technologies—to higher types based on exports of middle-range and high technologies.

The export-promoting strategy of small economies is focused here on identification of "blank spots" in world markets and on finding opportunities for the production of goods in which international corporations are not interested. Small states with advanced industry are focusing more on exports of goods manufactured in limited series and on individualized production in small- and medium-size enterprises. The export-promoting strategy proceeds from the realization that in terms of economy, it is more lucrative to maintain and control a larger share of less prestigious markets than to be an outsider in a large market. Unique goods for export and limited opportunities for competitive pricing boost this strategy even more. Competitive prices are precluded by relatively high production costs of goods with nontraditional, exclusive parameters and dimensions. The objectives of export in this case are enhanced by high technological standards of the goods, the employment of highly

skilled work forces, accessible resources of rare raw materials, and extensive R&D experience, which guarantees a headstart to selected R&D branches.

Changes in small, industrially developed capitalist economies caused by the internationalization of world economy and by structural shifts are opening new, thus far unexplored areas for mutual cooperation among countries with different socioeconomic systems, but with very similar economic structures. Under the pressure of the gathering struggle for markets, the entrepreneurial sphere in small capitalist states with advanced industry demonstrates a growing interest in economic contacts with the socialist states. However, by the same token, the development of mutual cooperation is offering promising opportunities and possibilities even for an accelerated and intensified development in our socialist conditions.

Jointly Against Structural Barriers

In terms of the recent structural changes in world economy during the advancing internationalization of economy on the world scale, the current situation of economic contacts between socialist and capitalist countries cannot be regarded at all as satisfactory. In many respects, the vague strategy of economic development and the underestimated changes in world economy negatively affected the extent and the character of the integration of socialist states in international division of labor, which led to the misconception that structural changes may be successfully introduced in socialist countries without any fundamental transformations of their economic mechanism.

Due to these and other circumstances, in the early 1980's the so-called structural barriers were set up in economic contacts between states with different socioeconomic systems. These barriers, which are determined by the structure of exports of the CEMA member countries to capitalist states, affect their imports to the same degree. In contradiction to basic national economic objectives, fuels and raw materials share as much as 75 to 80 percent in exports from the CEMA countries to capitalist states. Furthermore, the share of exported consumer goods has unfavorably increased, and conversely, the share of exported machinery and equipment has declined. Even the structure of imports from capitalist states consists primarily of raw materials, fuels and supplies.

In comparison with advanced capitalist states, the share of the CEMA countries in the production and trade of the latest techniques and technology is also unsatisfactory. The CEMA's participation in various transactions in world money markets is inadequate. Natural-material aspects of exchange prevail in foreign trade of the CEMA member states with capitalist countries. While the per capita share of the CEMA countries in the production and exports of concrete, steel and other traditional commodities on the worldwide scale has increased, the

opportunities in world markets for exports of mass-produced goods are steadily deteriorating, and exports of the so-called cheap goods are becoming unprofitable. The value of techniques and technology imported by the CEMA countries from capitalist states is four times higher than the value of techniques exported from the CEMA countries to capitalist markets. The CEMA member states are gaining a lower per capita volume of foreign markets and thus, their economies are also less open—and this at a time when intensification of foreign economic relations and constant comparisons of domestic conditions with the situation in world markets are the order of the day.

The strategy of acceleration and consequent intensification of individual economies within the CEMA are aimed directly at more lucrative foreign economic relations. The necessity of complete familiarity with the nature of qualitative changes in world capitalist economy, and of more thorough exploration of comparative advantages in the further development of international division of labor and in East-West economic relations follows directly from the opponent's strategy and tactics because advanced capitalist states themselves are trying to exploit their economic contacts with the CEMA countries in order to coordinate imports of raw materials and energy, exports of the latest techniques and technology, and negotiations of credits and financial matters with individual socialist states.

A qualitatively higher and better form of coordinated approaches by the CEMA member states toward advanced capitalist countries is imperative. Joint export policies should be even more consistently focused at the fulfillment of long-range strategic goals and at gradual expansion of the CEMA countries' share in the turnover in world markets. Moreover, ample untapped assets still exist in import policies, mainly in the search for alternate imports of the latest techniques and technology, which may avert the threat of embargo and other restrictions. In the future the CEMA member states must play a more assertive role in world money markets and pay more attention to the drawing of foreign credits for special programs. This goes hand in hand with the necessary planning and implementation of joint strategies vis-a-vis international economic institutions in the capitalist world.

Nevertheless, coordinated procedures do not mean that individual CEMA partners must respond to many specific issues in the same way. Economic contacts of the CEMA countries with the capitalist states should proceed from national economic criteria of profitability and from demands that socialist economic integration imposes upon individual economies.

Inertia Breeds Deformations

As known, foreign economic relations of the CSSR in the postwar period were shaped according to the needs of the process of industrialization in the just organized economic area of the European CEMA members. The

dynamism of the industrial development, particularly of the metallurgical and machine engineering complex, which was focused on exports, outpaced the creation of domestic resources of raw materials and energy. A growing deficit in the balance of trade was mitigated by the relatively low prices of raw materials and energy. Higher agricultural production reduced demands for food imports. The existing structure of production enabled the CSSR economy to find a place in world markets.

Nevertheless, beginning in the early 1970's, the export opportunities of our economy began to dwindle considerably. From 1970-1985 the index of actual exchange of Czechoslovak foreign trade dropped more than 30 percent. A fundamental and permanent change affected the development of the CSSR's foreign economic relations, which is characterized by a continuous tendency to raise the prices of imports and by the growth of the physical volume of imports. However, the rising demands for imports of the production type could not be covered with equivalent lucrative exports.

The growth of the value of imported raw materials, fuels and unfinished products necessitated higher exports of machinery and equipment, consumer goods and construction works. It is noteworthy that in the balance of foreign trade of small capitalist states with advanced industry imports of raw materials, fuels and unfinished goods in the early 1970's represented about 15 to 20 percent of total value of imports, and in 1983 increased to approximately 30 percent, thus, substantially less than in the case of the CSSR which released for imports of raw materials, fuels and unfinished goods 40 to 50 percent of its total funds earmarked for imports.

The character of the CSSR's economic development and the changing world prices led to a shift in demands for inputs of raw materials, energy and supplies in the process of renewal. Thus, exports must be expanded to additional commodities, which adversely affects the ratio of domestic costs to prices earned, this further lowers profits and narrows even more the territorial structure of Czechoslovak foreign trade. The development thus far has not favored the determination to use in the best possible way everything that may lead to intensive cooperation with every area in the world.

In our situation, imports determined our aspirations to expand our foreign trade. As known, the purpose of exports is to earn funds to pay for imports. The volume of exports had the character of costs because in the predetermined volume of our domestic production the growth of exports reduced its use in our national economy. The predominantly extensive development of our national economy increased demands mainly on the above-mentioned imports of raw materials, fuels and semifinished products, while imports of machinery and equipment increased at a much slower rate.

The structure of Czechoslovak exports and imports was determined by the CSSR's tasks in the organization and consolidation of the world socialist system. Due to its considerable inertia and lack of adaptability, the sectoral structure of national economy organized on this basis is not sufficiently adaptable to changing domestic and foreign conditions for operations of the national economic complex. Consequently, the CSSR's economic position in world economy is inferior.

Successful implementation of structural changes depends on the availability of top technical and technological equipment. Because we cannot expect that the CEMA member states will manufacture in the nearest future more types of top technology, such equipment will continue to be imported from advanced capitalist states. Industrially advanced capitalist states share about 25 percent of machinery imported to the CSSR, far more imports are needed but are prevented by restrictions, such as deficits in the balance of trade and payments with those states. Nonetheless, exports of raw materials, fuels and semifinished goods and of machinery and equipment made in the CSSR cannot cover our needs and demands for machinery from advanced capitalist states.

Therefore, in the nearest future we will be faced with a plethora of vital tasks. Above all, we need more rational procedures in importing machinery and equipment, because the deliveries of the so-called high technology represent only 16 percent of total machinery imports, while the share of general technology is 25 percent, and of the so-called low technology up to 59 percent. Our main problem is to cut the disproportionately high imports of raw materials, fuels, unfinished goods and food.

We must realize that, next to the CSSR's integration in international socialist division of labor within the CEMA, the main criterion of successful application of acceleration and intensification strategies in Czechoslovak economy is the CSSR's integration in a far broader, worldwide economic context because the implementation of the strategy of acceleration calls for wider and closer contacts with world markets and for continuous direct confrontation with the worldwide development. Indirect relations with world economy hinder the advance of economic processes and the confrontation of our prices with world prices, delay transfers of investment capital, and hamper the enjoyment of comparative advantages. Furthermore, we must keep in view the increasingly strong position of many newly industrialized states in world markets. Thus, the concept of integration of Czechoslovak economy in international division of labor must gain far more benefits from the advantages of our relatively small, open national economy, which are achieved precisely by the strategy of flexible adaptation. This strategy counts on the application of the latest forms of international division of labor, cooperation and specialization in production, on the

establishment of joint enterprises abroad and on the CSSR territory, on joint ventures in third markets, and other advanced methods of cooperation.

Money Markets Are Not Closed to Us

A separate and very sensitive issue concerns the extent of qualitative changes in credit, financial and monetary policies, and their impact on CSSR foreign economic relations. Our state earns its foreign exchange funds from international division of labor, from exports of goods and services, from sales of precious metals, and from transactions in world money markets. Foreign currency used in processes of social renewal promotes the growth of our production and the living standard of our citizens.

In agreement with the fundamental postulates of the current economic mechanism, the CSSR earns its foreign currency from its exports to world markets and only to a lesser degree, from transactions in world money markets, such as credits, purchase and sale of securities, or flexible pricing policies, in order to raise its assets in freely convertible currencies. Thus, the revenues in foreign currency earned by the CSSR develop in relation to the amount, quality and territorial orientation of exported goods and to prices in world markets. The territorial and commodity structure of imports, the prices of imported goods and services, and the scope of credit transactions play a significant part in this process. Therefore, revenues in foreign currencies earned by the CSSR depend on the fulfillment of natural-material indicators of our national economic plan. Precisely in that plan they appear as an underutilized mechanism of economic expediency.

The natural-material character of national economic balances runs counter to the needs of expanding internationalization of production. For that reason, more lucrative integration of the CSSR in international division of labor calls for systemic adaptations of its approach to prices, credits and finances. By the same token, it presupposes organic interconnections of value relations in national economy and more realistic rates of exchange, and consequently, freely convertible currency within the framework of socialist economic integration and the development in world markets.

Freely convertible currency is predicated on qualitative changes in national economy and on an institutional system of foreign economic relations—in other words, on a transition from bilateral exchange of goods to a broader use of new forms of foreign economic relations and multilateral payments. In a challenging foreign environment with increasing disproportions in national economy a symmetrical development of the balance of payment cannot be linked anymore with the balance of payments primarily with the capitalist states achieved by preferential support of exports and by restrictions on imports, with a resulting decline of the rate of national economic growth.

In the early 1980's most CEMA countries, including the CSSR, controlled their balance of payments in order to achieve an equilibrium. They tried to bank their assets from the balance of payments in freely convertible currencies. On that basis the accounts of the CEMA countries deposited in the Bank for Payments of International Accounts in Switzerland were increasing and considerable financial reserves were accumulated. Conditions for grants of credits in world money markets improved. In the money market of London, the prime rate, the so-called LIBOR, declined and at the same time, the terms for repayment of credits were extended. Pressed by the stepped-up competition for markets, credit and financial institutions in the capitalist world offered credits to socialist states under more favorable conditions than to the developing countries which are constantly increasing their debts.

In agreement with trends prevalent in the CEMA countries up to 1985, the CSSR applied its deposits in freely convertible currencies to reduce its foreign debt. Some of those assets are in the form of long-term credits granted to the developing states; to a certain extent they represent risk capital which is not on hand when the medium- and short-term credits are due. Therefore, for the CSSR economy the problems with payments and the demands for a speedy turnover of funds in freely convertible currencies multiplied.

Credit—A Device of World Markets

An accelerated turnover of assets reduces the risk, the uncertainties and the possibility of devaluation of assets due to dramatic fluctuations of rates of exchange and credit. At the same time, it calls for a more assertive posture in world money markets. For example, in agreement with the trends prevailing in world money markets, it forces Czechoslovak economy to diversify its assets deposited in credit and financial institutions in the capitalist world, even its assets in convertible rubles as the accounting unit of the CEMA member states. Such an approach would facilitate the accounting by the CEMA countries in freely convertible currencies and in mutual payments, and open additional credit and financial opportunities to them. Trade credits, or as the case may be, syndicalized trade credit above all would enable the CSSR to import machinery and at the same time, to obtain special-purpose credits to finance important investments for the future development of our national economy and for more efficient exports to world markets; moreover, the CSSR would be able to obtain bank credits to finance its special undertaking, mainly its ventures in third markets. The CSSR would retain its reputation as a reliable business partner.

The credit system is expanding in national economy and in foreign economic relations. It is based on the premise that credits are a common mechanism widely applied in world markets. Better integration of the CSSR in the information network of international institutions means

better utilization of computer technology and of innovations in the credit and financial sphere; it enhances the importance of this device in the fulfillment of demands posed on the economic growth rate and on employment.

In 1985-1987 the substantially reduced credit rates and other circumstances made it possible to further diversify credits drawn by socialist states. The debt of the socialist countries in freely convertible currencies rose from \$96 billion in 1985 to \$115 billion in 1986. Most socialist countries obtained credits in order to increase their reserves of cash, and thus to improve their position in world money markets. In 1985 assets of the socialist countries in financial institutions of the Bank for International Payments increased by \$5.2 billion. Several CEMA states, for instance, Hungary, the GDR and the USSR, which are active participants in West European, Arab and Japanese financial markets, converted their currency reserves to the currencies of advanced capitalist states, ECU, SDR, to shares with floating rates, and to bank credits, in order to reduce the share of their short-term credits in their total foreign debt. The CSSR is the least active subject among the CEMA member states. Among the requirements of successful implementation of the strategy for acceleration and intensification of national economy are higher assets.

Lucrative use of foreign financial resources goes hand in hand with qualitative changes in the economic mechanism of the CSSR and of other CEMA states. In order to repay foreign credits and interest, current barriers to exports must be removed, and the focus must turn to exports of goods and services in which these states hold comparative advantages. The specifics of foreign indebtedness of the CEMA countries are not determined by the absolute amount of credits but mainly by its political aspects. Foreign credits by themselves do not introduce radical changes in national economies of the CEMA, however, if used prudently, they may accelerate the restructuring of national economy. If the offer of foreign credits remains higher than the demand, and if the interest rates drop, the CEMA countries will be able to repay their credits with new, cheaper credits. The CEMA countries may compensate for some of the losses caused by fluctuating prices of raw materials in world markets, by lowering prices of exported commodities and declining profits from exports. Thus, financing by foreign resources may also finance part of the restructuring of our national economy.

9004/6091

Computer Production and Association
Mikroelektronika Vlewed
24000079d Prague OBRANA LIDU in Czech
5 Mar 88 p 4

[Interview by Jiri Bulan: "The Swallow is Already Spreading Its Wings"]

[Text] Last year in November a scientific-production association for microelectronics has been created. We asked the chairman of the new association, Engr Zdenek Smely, CSc., whether it will be at all possible to satisfy our markets.

[Question] Why did the Czech Commission for R&D and Investment Planning assume this task?

[Answer] First I would like to comment on the origins of the association. There is an enormous gap between the standards and dynamics of development between our and the world electronics. The speed of R&D developments in the developed countries has accelerated to the extent that they are moving away from us at meteoric speed. The range of products in the electronics industry is piling up like an avalanche so that no single country can cover all arising needs in this production area from its own resources. The intense international division of labor in the area of medium- and large-scale computer technology had started with a huge jump about ten years ago with the advent of new computers. We have practically missed out on this phase of development.

In the middle of last year, the Czech R&D and Investment Planning Commission had data and analyses which were signaling the unhappy conditions particularly in the microcomputers and certain types of consumer microelectronics. The outlook for the future years, prepared by the Federal Ministry of Electronics Industry, did not take into account our backwardness vis-a-vis the world developments. To fill the needs of our market to the extent of, let us say, Japan or USA, we would need to have 1.5 to 2 million personal computers. From all indications we will not even have more than 100,000 units by the end of 1990. To solve such a problem seemed to be beyond the capability of the Czech Commission.

The CK VTIR [Czech R&D and Investment Planning Commission] was, during this period taken over by the Czech deputy premier, Rudolf Hegenbart, who recently has been the leading secretary of the okres party organization in Gottwaldow and has organized the microelectronic developments there. Disregarding the apparently insurmountable administrative and other obstacles, he placed before the CK VTIR personnel an uncompromising political task: rapid implementation of the electrification by the Czech government branches and an impact on the situation in the entire CSSR. In a very short time we have prepared material which showed approaches to a more progressive production and utilization of computers. One of the basic factors favorable to initiation and work of the research-production association is the fact that in Bohemia there are already 61 agricultural cooperatives involved in production of electronic components and even some final goods. And it is not only the associated production of the JZD [unified agricultural cooperatives]; production cooperatives, university collectives, and production enterprises of the ministry of construction industry, but others who are involved in

electronics as well. Several cooperatives and enterprises outside the jurisdiction of the ministry of electronics industry have already initiated the assembly and production of personal computers. The most advanced of these is Agrokombinat JZD Slusovice.

[Question] On what type of economic basis will these associations work?

[Answer] There are virtually no additional resources available from the central agencies; many branches and organizations favor the process but are in no hurry to provide specific help. We have no choice but to implement the full *khosraschet* [cost accounting system] principles.

[Question] How will you link the democratic and enterprise regimens?

[Answer] The research-production association is a voluntary organization; none of the members will be forced into activities which would be disadvantageous or inconvenient for them. On the contrary, in order for the association not to fall apart, it must be truly democratic, it must have a goal-oriented unified and uniform concept and all its members must conscientiously pull together. That is not at all in contradiction to the enterprise character of an association; without it we cannot imagine the *khosraschet* relations.

[Question] JZD AK Slusovice is the guarantor of the undertaking. Does that mean that you will use the Slusovice management model?

[Answer] The Slusovice people are responsible for the largest share of the introductory program—to produce 214,000 personal computers by the year 1990. We hope that our association will be sufficiently differentiated from any existing research-production associations. It will gradually introduce other industrial and consumer electronics. Furthermore, the relations between partners are not limited to individual mutual contractual obligations with respect to the commercial code, but are general in character. We are, after all, not only concerned with the computer assembly, but also with training in services and practical utilization. Only a utilization in all areas of human endeavors will bring the desirable effect.

[Question] Commercial contracts are usually only one-half of a guarantee of successful results....

[Answer] We know from experience that it is possible to fail to fulfill a commercial contract that, for example, settlements through arbitration or compensation for caused damages is only a partial solution to problems and, furthermore, it frequently complicates ongoing relations. Of course, without commercial contracts we can hardly imagine an operation under the *khosraschet* method of work.

[Question] You do not intend to build an administrative headquarters building. In that case how will the administration work? From whom will you obtain the necessary capital? And how can you be sure that the association members will return this capital to the society?

[Answer] Certain space, probably several rooms, will naturally be needed. Today, three months since our association was founded, we already have, in addition to the 45 founding members, an additional 60 interested parties at home and abroad. To continue to develop the concept and the organizational activity, we have to keep an accurate running account of members and their interests, capacities, results, and shortcomings. Soon we will start issuing an information bulletin. Already, we are having to participate in several dozens of different negotiations and information meetings, and we are not even fully operational yet. The organization management will be turned over to the most modern computers. As yet we only have the minimal assets. We are still preparing some of the investment, financial, and credits proposals. The return on invested capital is a requirement, regardless of the sources used for the financing of the association. In the introduction we spoke about *khosraschet*, and that should explain it.

[Question] What advantages will the association members have?

[Answer] We will help them secure components, offer information about the production capacities and support and push through the interests of the association and individual members. We expect to have a perfect information link with each individual member.

[Question] You are opening the door to everyone who wants to improve their unhappy situation in computer technology. But that means creating competition for the FMEP [Federal Ministry for Electronic Industry]. Will they supply you with necessary parts?

[Answer] Even though the branch has increased its tasks for the near future, there can be no question about competition. The only question is whether the users will be able to keep up with the rapid development of the computer production. We wish to cooperate with the FMEP in every way. There are enough work and tasks for everybody; that includes the component parts. The JZD associated productions are now supplying components worth about Kcs 550 million, and that generally refers to wages. The real value is considerably larger. We do not expect that there would be any limitations on this production, on the contrary, it should expand further. Naturally, we are dependent on the supplies of certain parts from the FMEP, but the accelerated development of personal computers means increase in mass production of individual parts and improve the division of labor. The same pertains to our foreign partners. Our

production program is not considered to be unchangeable. In case of market saturation, we are able to change the product mix and switch to new, more modern products.

[Question] How many computers will you deliver this year and how many will get into the retail network. Where can a citizen buy one and for how much?

[Answer] We expect to produce about 50,000 microcomputers; we are talking about well equipped 8-bit and, in part, 16-bit computers. A good 8-bit computer for school will cost up to Kcs 120,000. A fully equipped 16-bit computer will be about Kcs 160-200,000 or more. For the retail trade we offer microcomputers from Skalica. These are the closest to what may be termed a "home computer." The price should be acceptable for all those interested, but we will only make a few thousand, which is no big deal. We are interested in supplying the most computers we can. It is also important to ensure software and service. And since we have to rely only on our own resources, the task is extremely complicated and difficult.

Editorial Urges More Intensive Intensification
24000066b Bratislava PRAVDA in Slovak 3 Feb 88 p 1

[Editorial: "To Intensify More Intensively"]

[Text] The process of intensification is progressing very slowly—despite certain positive aspects that may briefly characterize last year's economic development and the fulfillment of the state plan. The bureaus of statistics of both republics offered our public a review of our achievements, which prompted this statement.

Why cannot we maintain that the opposite is true? We may find an answer right in the introduction to the report of the Federal Bureau of Statistics: "The quality and technical standard of our production failed to achieve the necessary improvement. The consumption of supplies, raw materials and energy was not reduced according to the projections of the plan. The plan for sales of goods in domestic and foreign markets could not be fulfilled. An upturn in efficient exploitation of our production assets and supplies could not be achieved, which, combined with an unsteady production and insufficient discipline of suppliers, caused problems with deliveries of required supplies for our production and with the satisfaction of demands, particularly for industrial goods, in domestic markets."

Indeed, this slowed down not only the process of intensification but, contrary to projections—and we must admit as compared with our needs—also the growth of our national revenue, because its statewide increment amounted to only about 2 percent.

These facts prompt another urgent question: Having failed to intensify our economy at a sufficiently rapid rate, we obviously could not come to grips with the fact

that R&D is the main factor of intensification. Unfortunately, the statistics reply to this question in the positive. Although we have accomplished some good results, above all, in the planning of goods and in technical innovations, no patchwork will do in this particular area. A real 180 degree turn in R&D, its management and application is necessary; we have been clamoring for it for quite a while; we realize that it is essential for the process of intensification and for better satisfaction of our working people's needs, but thus far we have not launched an all-out attack that would be in step with this realization.

On the one hand, our production needs far more drastic, new solutions; in other words, in this respect the deceitful feeling of satiety—or even better—of self-satisfaction must be overcome. On the other hand, there is a legitimate demand that the researchers and developers of our R&D base demonstrate greater inventiveness, imagination and originality. Of course we do not envy them the problems they are tackling, but it is true that as compared with 1986, last year their ranks have been expanded in our whole nation, including the SSR, and the costs of the R&D base rose as much as Kcs 1 billion in all of the CSSR. Naturally, we cannot automatically assume direct proportion of those inputs—as they call them—and scrutinize the accounts of assets for the amount of highly revolutionary achievements at any cost. Nevertheless, in this context it would be wrong to ignore other facts in statistical reports. When compared with the first year of the Eighth 5-Year Plan, the share of our products that meet the standards of technical and economic excellence in total production has not noticeably changed for the better. Our new products are not very advanced. Just the opposite is true; their volume, or share, in the economy of the entire CSSR as well as of the SSR failed to reach the 1986 level. This also suggests that much needs to be improved in our R&D and in the process of its acceleration.

Although as criteria for assessment of a particular economic area statistical reports do not always offer us an absolutely true and unified picture, additional data that may be derived from them underscore the inevitable need to resolve certain problems faster and more radically. For example, efficiency and quality are now, as we say, the order of the day, but they are not being fulfilled equally well in every workplace. Inventories have not been reduced according to projections; not only has their turnover in the SSR economy not been cut by 3.6 days as stipulated by the plan—it has been extended. We are crawling to our goals of reducing material costs; compared with our potential and needs, this is completely inadequate. The difficulties with the fulfillment of material tasks in our construction industry continue; as in previous years, capital investment is still plagued by shortcomings. It will do no harm to mention the fact that individual workplaces have not been more responsible even with their use of their work year because its use seems stabilized, although we have been calling for better labor discipline for a long time.

Of course, all these economic problems and shortcomings mentioned here were reflected last year in the satisfaction of our working people's needs, and more or less transposed into our foreign trade; they left their mark on the living standard of individuals and teams, mainly those who were lagging behind in their fulfillment of qualitative and quantitative indicators.

It is true that statistical data are tedious, but behind the data and figures are people, workers, and the highest aspirations of our society are to make them happy and to better satisfy their legitimate needs and interests. For that reason no workplace should look at the reports of our bureaus of statistics as at documents that in reality describe only the past, because if we want to look forward, we must learn from our past errors. Therefore, it would be proper, so to say, to turn major statistics into small ones, and to mitigate negative influences, but that demands in the first place the most critical and objective analysis possible. Such an approach was emphasized by Comrade Jozef Lenart in the report of the Central Committee's presidium at the January session of the CPSL Central Committee: "...It is absolutely imperative to analyze the current situation in every workplace seriously and to adopt measures so that the set goals may be achieved and that the fulfillment of this year's plan may face the least possible amount of urgent problems."

Indeed, the 1987 results are already past history, but whether we want it or not, they affect the present and in one way or another, also the whole Eighth 5-Year Plan. For that reason it is absolutely necessary for us to learn from them and to reevaluate current attitudes in individual factories, enterprises, economic production units and ministries to intensified socialist integration, R&D, the spirit of enterprise, creativity and the courage, responsibility and competence of every employee.

It should be noted here that the party's annual membership meetings and party conferences are at present, and will be in the future, the best occasions for such reassessment. The undeniable duty of every communist is to be in the forefront when correcting shortcomings and restructuring our economic mechanism. As Comrade Milos Jakes stated at the 7th session of the CPCZ Central Committee, this means, among other things, that "our party's political, organizational and ideological policy must be comprehensively developed and the style and method of its work upgraded to a qualitatively higher level, from the Central Committee up to basic organizations, so that it can meet the demands and conditions of the process of restructuring and intensification of socialist democracy."

Of course, this alone is not enough. All working people must join in the fulfillment of our tasks and thus, in conjunction with the above-mentioned fourth main task of our party and society, outlined by the 7th session of the CPCZ Central Committee, other things must be mentioned at least marginally: forces must be mobilized, and the initiative and activity of our working people and

of the National Front encouraged; tasks related to the restructuring must be fulfilled in the most responsible fashion; the unity of our socialist society must be strengthened.

Let us add that the need to deal honestly with these tasks does not stem—to use a metaphor—from an attempt to paint the statistical report in rosy colors, but from the very vital interests of our working people and of our society.

True, if we look at the mobilization of our working people and their increasing participation in management from the viewpoint of comprehensive restructuring, we cannot only make demands on them, we must give them something. However, the word "give" implies many demands. Above all, the working people must be consulted more often, their creative ideas must be translated into reality, and their critical suggestions must be accommodated.

To give—means to provide better working conditions; to improve the organization of production, supplies and raw materials; to inform workers about every problem in the workshop, factory, workplace, and enterprise; to augment their social security not in general, but according to final achievements of individuals.

Unfortunately, our working people's creativity and initiative are not always respected enough and promptly utilized. As the statistics confirm, the number of reported inventions and proposed improvements steadily increased, but problems with their implementation more or less continued. "The heart of the restructuring is the creation of opportunities for our people's active participation in the processes of management, decisionmaking and problem-solving, and for the development of their public involvement and initiative in production," said Comrade Milos Jakes in his concluding speech at the 7th CPCZ Central Committee's session. "Everything that serves that purpose agrees with the demands of the process of restructuring, be it cadre policies or forms and methods of work. Those who shirk their responsibility may think that the center can take care of everything, but this shows that they do not understand the meaning of the restructuring."

These thoughts do not concern this year alone. We must be aware of their importance in this and in the future 5-year plans.

9004/6091

POLAND

Major Points of Polish-Soviet Enterprise Cooperation Law

26000194b Warsaw ZYCIE GOSPODARCZE in Polish No 7, 14 Feb 88 p 6

[Article by Wladyslaw Dolezal: "Polish, Soviet Joint Enterprises"]

[Text] The Council of Ministers Law No 141 of 30 November 1987, concerning the fulfillment of Polish-Soviet cooperation governing the basic principles on the

establishment and work of joint enterprises and organizations, was published in MONITOR POLSKI, No 36, item 305. The law defines the terms and forms of fulfillment in Poland of the agreement signed in Warsaw on 15 October 1986. Specific principles on conclusion of the agreement concerning the establishment of joint enterprises and business to be carried out by them are contained in the recommendations in the annex to the law. The joint enterprises are being created with the goal of achieving efficient economic results by the manufacture of goods, performance of services, and other economic activity within the scope of the international socialist division of labor, as well as taking advantage of the scientific-technological and industrial potential of both nations. The task of the joint organizations (associations) is the coordination, on the basis of agreements and within their framework, of the entirety or a portion of the economic activity accomplished by the members of these organizations. The joint enterprises can be established as partnerships with foreign participation or international enterprises. Only a Polish citizen can be appointed as director of the joint enterprise or joint organization. The law defines the rights of the workers of these joint enterprises who are foreigners. The supervision concerning realization of the law has been entrusted to a government plenipotentiary for matters of cooperation and joint enterprises. The law went into effect on 14 December 1987. 12229/12232

Polish, Soviet Direct Enterprise Cooperation Centralized

26000216j Warsaw RZECZPOSPOLITA in Polish
18 Jan 88 p 5

[Text] The agreement concluded on 15 October 1986 between the Polish and Soviet Governments established priorities for the development of direct cooperation for enterprises and scientific-research organizations in both countries. This did not, however, signify the automatic removal of all technical difficulties, including problems with finding a suitable partner.

This represents the importance of the agreements achieved recently by the Polish Chamber of Foreign Trade and the USSR Trade and Industry Chamber. An agreement was concluded which beginning in January 1988 would enable the chambers to collect the offers of their respective enterprises and organizations interested in establishing direct scientific-technical and production cooperation.

These offers were developed according to a questionnaire agreed to by both sides, with a collecting chamber to transmit the information to its partner unit. This one in turn will seek willing manufacturing and scientific-technical organizations at home, among others, by offers received in bulletins and periodicals published by them.

The Polish Chamber of Foreign Trade and the USSR Trade and Industry Chamber also agreed that they would exchange information concerning the legal-financial

principles governing cooperation, as well as the regulations and the changes occurring in them in existence in both countries. Both chambers will observe the development of direct cooperation of Polish and Soviet enterprises, and submit proposals for the necessary formal and legal-organizational simplifications if the need arises.

The new principles for promoting direct cooperation of Polish and Soviet economic organizations are already in effect. We can hope that they will turn out to be a successful measure for initiating this cooperation.

As reported by the Polish Foreign Trade Chamber [PIHZ] we must turn to the PIHZ Economic Group, Warsaw, 4 Trebacka Street, telephone 26-02-21, extension 290 and 243 for all matters pertaining to direct enterprise cooperation.

12229/06662

Polish, Czech Trade Union Cooperation

26000216a Warsaw TRYBUNA LUDU in Polish
11 Jan 88 p 6

[Text] Prague—PAP [Polish Press Agency] correspondent, Leszek Mazan reports that Alfred Miodowicz, PZPR Central Committee Politburo member and OPZZ [Federation of Trade Unions] chairman arrived in Prague on Saturday for a one-day working visit. The visit constituted an element of the realization of a long-term plan of mutual contacts, exchanges of experiences, analyses, evaluations, and current information among Polish and Czechoslovak trade union members.

The trade union movement situation in both nations was evaluated during the meeting with the KPCz [Communist Party of Czechoslovakia] Central Committee Secretariat member and Czech CRZZ [Central Council of Trade Unions] chairman, Miroslav Zavadil. Attention was directed toward the need for active participation by the union movement in the process of the complex reconstruction of the political and economic mechanisms.

A. Miodowicz and M. Zavadil also discussed the situation in the international union movements, as well as agreeing to joint Polish-Czech work in the SFZZ [World Federation of Trade Unions] and the MOP [International Labor Organization]. Miroslav Zavadil accepted the OPZZ invitation to pay a visit to Poland.

12229/06662

Messner at Sosnowiec Factory Comments on Supplemental Wage

26000228b TRYBUNA LUDU in Polish
17 Feb 88 pp 1,2

[Article by Stanislaw Zielinski: "How Much Daily Courage, How Much Responsibility: Zbigniew Messner in Sosnowiec Fakop"]

[Text] Economic involvement and hope but also fear and uncertainty—the government program for implementing the second stage of the reform arouses multiple, varied

feelings and emotions. Which ones? The employees and managers of the Sosnowiec Industrial Boiler Factory Fakop and members of the aktiv of other Sosnowiec factories had the opportunity to talk with Zbigniew Messner, member of the Politburo of the Central Committee and chairman of the Council of Ministers, about this topic on Tuesday.

When Lucjan Karcz, director of Fakop told the premier that his enterprise already has its program of operation laid out beyond the year 2000, that its technology is world-class, he surely risked suspicion of a lack of humility. The question was answered quickly.

Since 1977 Sosnowiec Boilers, as the factory is popularly called, has been involved in the production of equipment for nuclear power. And in this area there are no and can be no lower standards; techniques and technology and a dependable system of quality control must meet the highest standards, recognized by their partners, especially if you want to export (and you want to) to the second payments area.

The specialty of Fakop is heat exchangers for nuclear power plants. Those made so far are used in 440 MW reactors. Modernization of the section will make it possible, however, to produce heat exchangers for more powerful, 1000 MW reactors.

They also make regeneration heaters for high-pressure turbines for conventional power plants and soon for nuclear ones also, the production of which will begin with equipment of this type for Zarnowiec.

This is not their whole range of products. In the pipe section, Premier Zbigniew Messner had an opportunity to view work on a section of the prototype of a recovery boiler for the converter for the Katowice Steelworks. It was developed by designers at the Central Bureau for Boiler Construction in Tarnowskie Gory and specialized engineers at Fakop and the Katowice Steelworks. The rank of the undertaking is shown by the fact that until now boilers of this type were imported from Belgium.

There is no lack of export orders. Two boilers for Soviet sulfuric acid factories and two boilers for industrial and technical use for the CSSR are being built.

One can draw encouraging conclusions from the premier's discussions with the workers, including welders Edward Walaski and Maciej Maderski, lathe operator Marian Rakocz and his helper, Tadeusz Rataj, who is just learning this trade, or quality controller Jan Kaczmarczyk.

People are not afraid of responsible tasks, the rigors and regimen of technology if they know that getting customers for their products not just in Poland but in 40 countries of the world depends on it, and 56 percent of the Fakop's total production will go there this year.

Exports have become a profitable area and one notices it in the pocket. Especially since the brigade system joins wages with work results, so that good ones can earn more. The heart of the workforce is stable, and the tasks which grow from year to year are completed.

"This undoubtedly is the best test of the workers' attitudes," said Jaroslaw Adamski, first secretary of the factory committee.

Fakop beginning the difficult specialization has ensured itself good opportunities for existence for many years. But prospects and financial opportunities, however, are not so bright everywhere. Among the questions asked the premier, chiefly referring to his speech in the Sejm, one could feel a fear that high taxes for enterprises, low amortization rates, etc. might make it impossible to rebuild and modernize the productive capacity.

There was also no lack of sharp comments on the subject of limiting an enterprise's expenditure of convertible currency it earned. There were inquiries about whether the government has noted the danger of an energy crisis, associated with limitations on mining investment. There was interest in the proposed system of reliefs. It was proposed that producers working on government contracts be ensured optimal supplies in raw materials, materials, and production resources.

In replying to the questions and doubts voiced by the leaders of the Sosnowiec factory and enterprise aktivs, Premier Zbigniew Messner noted half jokingly that not infrequently there was a note of yearning in these statements for the days in which everything was divided and decided above. "Perhaps I am exaggerating," he said, "but I am doing it on purpose to make visible the difference of current conditions, especially the need to reach more boldly for the resources available and profited by the second stage of the reform."

The premier answered all the questions, particularly overturning some of the common myths, for instance, that the most important factor in the development of enterprises is the sufficiency of the investment resources that remain at their disposition. But practice shows that the actual barriers are usually difficulties in finding the necessary equipment or machinery on the domestic market.

Premier Z. Messner shared the view that paying all employees 6,000 zloty for price increases weakened the motivation function of wages. Thus, it is all the more necessary to search for new ways of increasing production and exports that will make it possible to increase the wage fund and to raise wages for better work.

"This year, an issue of great importance will be maintenance of discipline in price and income policy, which is an important although not the only element of the second stage of the reform," the premier said.

Manfred Gorywoda, member of the Politburo of the Central Committee and first secretary of the Katowice PZPR Voivodship Committee, accompanied the premier.

13021

State Economic Arbitration Office Hosts GDR Group

260002154 Warsaw TRYBUNA LUDU in Polish
29 Jan 88 p 5

[Text] On the 28th of this month, a GDR delegation of the State Court for Agreements, headed by Manfred Fiegl, vice-chairman of the GDR Council of Ministers and chairman of the State Court for Agreements, ended its visit to Poland made at the invitation of the State Economic Arbitration Office.

The vice-chairman of the GDR Council of Ministers was received by Council of Ministers Chairman Zbigniew Messner, and by Zdzislaw Sadowski, chairman of the Council of Ministers Planning Commission.

The subject of the arbitration talks were the problems associated with the functioning of the economy under conditions of the economic reform in Poland and with the principles of planning and management of the GDR economy as well as with the arbitration tasks of both countries arising from this.

The delegation visited Lublin Province where it acquainted itself with the activity of the Regional Arbitration Commission, visited the Metallurgical Plants in Lublin, and took part in a meeting with the political and administrative authorities of the province.

Edward Zachajkiewicz, chairman of the State Economic Office participated in the meetings.

The GDR ambassador to Poland, Horst Neubauer, was present.

9853/9604

Yugoslav Economic, Trade Talks Held

260002151 Warsaw TRYBUNA LUDU in Polish
29 Jan 88 p 5

[Text] On the 28th of this month, Minister of Economic Cooperation with Foreign Countries Wladyslaw Gwiazda met with the Yugoslav ambassador to Poland, Branko Puharic.

The topics of the meeting were the current problems concerning economic cooperation and trade between Poland and Yugoslavia as well as the state of preparations for the 27th Session of the Polish-Yugoslav Committee for Economic and Scientific-Technological Cooperation.

9853/9604

Polish, FRG Economic Relations Discussed

260002164 Warsaw RZECZPOSPOLITA in Polish
21 Jan 88 p 2

[Text] Deputy Premier, Zbigniew Szalajda met with I. Schomerus, deputy chairman of the International Joint Commission on Economic, Industrial, and Technical Cooperation Matters of the Federal Republic of Germany (West Germany). The subject of the discussions concerned the issues of the development of mutual economic relations between Poland and the FRG. B. Weber, FRG embassy counsellor was present at the meeting.

12229/06662

Polish, FRG Cooperation in Machining Centers Signed

26000228a ZYCIE WARSZAWY in Polish
5 Feb 88 pp 1,2

[Unattributed report: "A Favorable Contract for Metalexport: A new generation of equipment in Cooperation with the FRG"]

[Text] (From our own correspondent) The Metalexport Foreign Trade Enterprise has signed a cooperative contract with the West German firm Scharmann in Moenchengladbach to cooperate in the production of the most modern machining centers. The participants in the contract on the Polish side are the H. Cegielski plants in Poznan and the Mechanicy Enterprise in Pruszkow.

The contract calls for the production in these two plants of world-class equipment of the Solon 2 and 3 type. They will be manufactured using documentation from Scharmann, also utilizing at first shipments of mechanical parts and control systems from the foreign partner. The fact that Scharmann gave the Polish side the documentation without charge deserves mention here. And the reader ought to know that the purchase of this type of technology would bring the expenditure of several million dollars.

Obviously this is not just philanthropy on the part of the West German firm, but rather a desire to join themselves closely with their Polish partners and in this way gain access to our market for their products. The contract in any case is to be just the beginning of broader cooperation between the participants.

Machining centers are a new generation of equipment in the machining industry. They are capable of replacing several traditional single-function machines for they combine the machining ability of various pieces of equipment. By using a variety of modules, they can work in place of several varied types of milling machines and

lathes. By using machining centers it is possible both to accelerate the desired operation and also to significantly reduce the number of employees.

At present in Poland there are about 30 machining centers in operation; the need for this equipment is, however, much greater. Thus, these plants in undertaking their production are counting on large sales in the domestic market; at this moment it would certainly be possible to sell another 30 of this type of machine.

Since the West German partner has taken upon itself the obligation to control the correctness of the production processes and to evaluate the final quality, we can count on our enterprises fairly quickly adjusting to the new technology. And this will mean that our machining centers equipped with control systems from Siemens, for it is assumed they will be mounted on those machines sold in the second payments area, will be competitive in relation to the products of the most renowned firms in the world.

In the next few years we can count on the beginning of a very profitable export. One such center costs about 1 million DM. It is also anticipated that as production of these machines develops they will also be sold to the CEMA countries.

The contract that the well-known production enterprises H. Cegielski and Mechanicy, which have some experience with this type of production, have signed through Metalexport could become a breakthrough for our whole machining industry, which has declined somewhat in recent years. The technology and designs used in the 1970's when we thought Poland would specialize in this industry have aged. That specialization lasted a short time. Primarily because of a break in the access to new technical designs.

Surely, this one cooperative contract does not completely change this sector of our economy, but it can become the beginning of a renaissance in the machining industry. On the condition, obviously, that the other producers of lathes will also have access to the most modern technical thought. It would be good if there were imitators of H. Cegielski and Mechanicy, and if Metalexport succeeded in finding still other equally attractive foreign partners.

13021

FRG Economic Institute Member on East-West Relations, Polish Prospects

26000259 Warsaw PRZEGLAD TYGODNIOWY in Polish No 12, 20 Mar 88 pp 10-11

[Interview with Heinrich Machowski of the German Institute for Economic Research by Karol Sayndzielorz: "The Profits Were To Be Large"]

[Text] [Question] What is your assessment of the current state of economic cooperation between the East and the West?

[Answer] Unfortunately, neither the analysis of the situation nor the prospects are too optimistic. I am even somewhat pessimistic because a period in the development of cooperation between the East and the West has reached its end. This period was marked by the Soviet Union and also some of the smaller CEMA countries taking advantage of the price policy of the OPEC countries. The collapse of the price of crude oil and a little later also of the price for natural gas together with the decline in the exchange rate for the dollar have caused stagnation in East-West trade during the last two years, and in real terms perhaps even a decline in trade. From the Western point of view trade with the East has become a marginal phenomenon. Thus the political hopes we saw in economic cooperation between the East and the West at the beginning of the 1970's have also evaporated.

[Question] What do you mean by "taking advantage of the price policy of the OPEC countries"?

[Answer] I will illustrate what I mean. The Soviet Union imported much more from the West than it exported in real terms. And this was because the high profits from exports made possible growth in its purchases in the West without exposing it to the risk of debt. The smaller CEMA countries, which did not export fuels, did not have this ability due to the structure of their exports. It is hard to say exactly how much it costs to produce one ton of crude oil in the Soviet Union. We know neither the level of current costs nor the investment costs. Thus, it is difficult to compare the price of Soviet crude oil with current world prices.

[Question] I have heard a comparison of the cost of producing crude oil in Siberia with the minimum costs for producing crude oil in the North Sea or Alaska and the statement that they are identical.

[Answer] If that is the case, then it is equally profitable for the Soviet Union. Great Britain has certainly made a profit on crude oil in the North Sea. One must remember that England is currently our most important supplier of crude oil. If we consider that since 1973 there has been an 11-fold or even a 15-fold increase in the price of crude oil, then it is difficult to assume that the cost of producing it, for example, in Siberia, increased at the same rate.

[Question] You mentioned the dashed hopes associated with East-West trade.

[Answer] Let's begin with the volume of this trade. For the OECD countries it amounts to little more than 2.5 percent of their foreign trade. If we compare all of the foreign economic cooperation between the East and West to world exports, it amounts to little more than 4 percent. These are not large figures. We thought at one time that East-West trade would help stabilize political relations. Influence on these relations, however, depends not only on the scale of this trade but also on the growth

in bilateral dependence on this trade. I would have expected a structural transformation of the cooperation in the direction of more intense contacts.

[Question] At one time the phrase "the web of peaceful coexistence" was used.

[Answer] Yes, Brezhnev frequently spoke of the material foundation of the process of detente. At present, this foundation, practically speaking, is non-existent.

[Question] So a peculiar paradox has developed. We see an unusually clear improvement in political relations between the East and the West. We observe an embodiment of this improvement in the form of various treaties and agreements. But what was to constitute the foundation is becoming steadily weaker.

[Answer] I see things in a similar way. At the beginning of the 1970's the political situation was favorable to cooperation and there were also optimistic prospects for economic cooperation. These favorable relations fell apart as a result of the Yom Kippur War and the OPEC policy. At present, we have favorable political conditions for relations between the East and West but very bad economic conditions for cooperation. These conditions mean that East-West trade will develop with great difficulty and slowly in the coming years and even in the foreseeable future. Many highly varied efforts will be needed for there to be any development at all.

[Question] You said here during our conference that it is difficult to anticipate further development of the world economy. What are your fears?

[Answer] The current economic situation in the West can be described briefly in these terms: the unsolved debt problem, a lack of balance in world trade (the gigantic American trade deficit, the gigantic trade surpluses of Japan and the FRG), the wild volatility of the markets, the outcome of which we do not know. We should add to this the growing danger of protectionism, and we get a picture of a situation which is hard to comprehend. It is even more difficult in this situation to make a prediction.

At the end of 1987 it was announced that the rate of economic growth in the West will be 2 percent in Western Europe, 2.5 percent in the United States, and 3 percent in Japan. But today if we look at the predictions, then we can see that they have been revised and downward at that. Our institute thinks, for example, that there will be zero growth in the FRG in 1988. In Brussels they speak of 2 percent for the EEC. We should not take these figures, however, too seriously. The direction of the corrective actions is what counts. If we examine the political East of Europe we see a similar trend there. I would risk claiming that the current 5-year plan is no longer the plan being followed in any of the CEMA countries. The essential corrections and improvements

made in these plans have made the target figures outdated. This brings to mind a joke in one of the Warsaw weeklies, what will 1988 be like? The answer was average. Better than the next one but worse than the previous one. I think this can be generalized and applied to the entire region.

[Question] You are thinking of all of Eastern Europe?

[Answer] No, all of Europe.

[Question] If that is your opinion, then I do not need to add that the difficulties in paying the debts and also with the competitiveness of goods exported will increase. How is Poland to make payments?

[Answer] I consider Poland an exceptional case, both because of the size of its debt and because of the scale of the economic difficulties. I considered Poland in a special study prepared at the request of the IMF. I stand by my statement that Poland is an exceptional case. If I am not reading the signs in the heavens and on earth incorrectly, one can conclude that in the creditor countries of Western Europe a somewhat different view of Poland is beginning to develop. I see a readiness to find solutions to the question of Polish indebtedness. They would be solutions similar to those used in Mexico. But this is not a question of similarity in technique but of perspective; thus it involves a long-term transformation of the structure of the Polish debt so that Poland can catch its breath.

But for Poland and for the other countries the key issue is the insufficient competitiveness of their goods. The other countries must solve this problem. We can only support efforts made in this direction. Our institute has proposed, for example, that the EEC provide easier access to the markets of Western Europe for goods from the CEMA countries. We think that as part of the normalization of relations between the CEMA and the EEC we should reduce or even completely eliminate protectionism against goods from the East. These are our proposals, but we are not responsible for implementation.

I would also like to draw attention to another fact. In my opinion the economy of the Federal Republic of Germany is overly dependent on exports. All pauses in demand are immediately reflected in its health. Given the situation on the labor market in the FRG, we have more than 2 million unemployed, the government is attempting, in spite of everything, to support the development of exports as much as possible.

[Question] Given this, how do you view the future of East-West economic relations?

[Answer] In my thinking I always consider solving the problems of the next day and not of the year 2000. It is easy to say what is to happen in the year 2000 but difficult to anticipate what will happen tomorrow. Thus,

I am convinced that small steps are needed. I think that it would be especially beneficial if Poland or the other countries of Eastern Europe did not undertake an attempt to rival us in "high tech." Perhaps it would be good to organize smaller export transactions, even in food processing. Small is beautiful. The same thing in package agreements. Large investments and undertakings make little sense today and will not produce large profits. Also, the large Western concerns are no longer so ready to sell huge plants or technological processes to the East for they realize how difficult it is to finance such operations. Moreover, compensation by sales of finished products from these units causes fears of market disorganization and price cutting. One thing is certain given exports in current conditions: the debt will increase. Everything else is guess work.

[Question] And the reform. Do you not expect greater economic efficiency from it and also flexibility in reaction to the needs of the world market?

[Answer] It is the only road. The current system, which resigned from contact with the world market, is unsuited to small- and medium-sized countries. This is openly admitted now. Already thanks to this, various opportunities are opening up, but on the basis of my observations of the situation in Poland, I would like to say the following: if we decide in favor of decentralized foreign cooperation, of more flexible forms of contacts with the world, then it must be done. The example of Hungary, not only in comparison with Poland, is worthy of attention because if the Hungarians decide on something they do not resign from it easily, they do not retreat. The Chinese are similar. If everything does not succeed at once that is no reason to give up. Failures do not have to cause immediate resignation.

13021

Indonesian Economic Cooperation Discussed
26000215r Warsaw RZECZPOSPOLITA in Polish
28 Jan 88 p 2

[Text] On the 27th of this month, the minister of economic cooperation with foreign countries, Wladyslaw Gwarda, met with the ambassador of Indonesia, Ambar Tamal, in connection with the opening of the diplomatic mission in our country.

9853/9604

British Trade Delegation Visits
26000215g Warsaw RZECZPOSPOLITA in Polish
27 Jan 88 p 2

[Text] At the invitation of the Ministry of Industry and the Ministry of Transportation, Navigation and Communication, a delegation of the British Ministry of Trade and Industry headed by its minister, Robert Atkins, has been staying in our country on a several-day visit. The possibilities of expanding cooperation in selected areas

of the economy are being studied. The guests familiarized themselves with, among other things, the work of certain sugar plants and plants of the mining and machine-building industries.

9853/9604

Scandinavian Airlines Renews Direct Flights to Warsaw
26000216g Warsaw ZYCIE WARSZAWY in Polish
18 Jan 88 p 2

[Text] In November 1981 they suspended air service to Poland. This was due to commercial reasons according to their representatives and not to the then existing state of martial law.

Last Saturday, after a 6-year interval, SAS (Scandinavian Airlines System) returned to Warsaw. The DC-9 flights will take the Copenhagen-Warsaw-Copenhagen route. For now they will only fly on Saturdays. The flight lasts 1 hour, the ticket can be purchased for zlotys and costs the same as at PLL LOT [LOT Polish Airlines]. The flights may be more frequent by spring.

This is then the sixth Warsaw-Copenhagen flight per week. PLL LOT has five. A little competition certainly will not hurt.

12229/06662

Foreign Trade Company Director on Monopolies, Export-Import Needs
26000215a Warsaw TRYBUNA LUDU in Polish
16 Feb 88 p 3

[Interview with Andrzej Sobczyk, director, Polish Foreign Trade Company "Varimex," by Tomasz Szymanski]

[Text] [Tomasz Szymanski] An increasing number of economic entities are being granted the right to independently export their products.

[Andrzej Sobczyk] There has been no monopoly in foreign trade since the time that industrial plants have obtained the right to independently choose the foreign trade entity through which they wish to export. And, in general, it is a good thing that this has happened. Monopoly can be extremely dangerous—something of which we have become convinced at "Varimex" when years ago the demand structure of our foreign consumers changed while we did not process the incoming signals quickly enough. Monopoly threatens with stagnation.

I am, therefore, for the granting of export licenses on the condition, however, that economic, technical, and infrastructural factors will come into play and not, for example, local or district ambitions.

[Tomasz Szymanski] Recently we received a telephone call from a retired foreign trade employee. He said that very mundane matters often decide about the export ambitions of producers, e.g., the desire to travel, the possibility (small, to be sure) of saving hard currency from travel allowances, etc.

[Andrzej Sobczyk] The possibility of traveling abroad, of saving a part of the travel allowance and other "benefits" undoubtedly make cooperation with foreign markets even more attractive and I believe that this should be taken as an objective factor. People are—as they are. I would not ignore this factor which is quite rarely cited in various official considerations and one which prompts producers to get into exports. However, I would not overestimate its motivational power. These are no longer the times when just any trip abroad would evoke chills of emotion. Contact with the world today is so widespread that one does not have to seek out export opportunities to take advantage of foreign travel.

Our experiences convince us that currently, above all, the conditions of sale which "Varimes" (or another agency) can offer its producer as well as the producer's financial benefits from exports, e.g., the property functioning since last year ROD's, tax benefits, etc., are the deciding factors in an enterprise's inclination toward exports.

Let us, therefore, create conditions conducive to export expansion both in the form of independent activity on foreign markets and in taking advantage of the services of a qualified agency. That is when we will undoubtedly be able to expect positive results. In certain agreements with suppliers possessing licenses for the independent carrying on of exports, "Varimes," for example, takes on the obligation of training the producer's personnel in the techniques and methods of organizing foreign trade.

[Tomasz Szymanski] Does this mean that "Varimes" is not afraid of competition?

[Andrzej Sobczyk] It is not afraid. If the rules of the game will be created by the economy, if the solutions of the second phase of the reform will be placed into effect as a whole—then I can be calm about the results. In 1987, we attained better results than all of Polish foreign trade on an average. Exports to socialist countries computed in rubles rose approximately 19 percent, imports from that area were approximately 8 percent higher. On the other hand, exports computed in dollars to countries of the so-called second payments area rose by more than 25 percent in relation to 1986 whereas imports rose approximately 8 percent.

The high growth rate of sales to Western countries is the result of the selection of the expansion variant. We have decided to increase the share of cooperative products and of the so-called enriching turnover. For example,

"Mifan" in Milanówek manufactures high class medical equipment on the basis of foreign specifications and materials for the well-known West German firm "Dräger."

We have also implemented the reorientation of exports: from developing countries to Western European markets which are more reliable and have more stable market conditions. We are now reaping the fruits of these, in our opinion, sound decisions.

However, it must be said that the low—in comparison with other countries—level of exports is the result not so much of the weakness of enterprises trading with foreign countries as of the not very attractive selection offered by industry. The anticipated effects of the second phase, i.e., production growth, improved variety, higher quality—should all help expand the selection of Polish goods offered for export. At that point, "Varimes" will have something to occupy itself with. We import and export a wide range of products: from medical technology products, replacement parts and subassemblies for the consumer goods industry, equipment for restaurants, to industrial and health services equipment. Licensed manufacturers will also be kept busy. This is a fundamental matter because the accumulation of licenses without changes in production will change nothing. After all, what matters is that exports be effective and profitable.

[Tomasz Szymanski] Industrial plants are complaining that the foreign trade establishments are inactive, that they are incapable of selling products that are not at all bad while taking in large margins of profit.

[Andrzej Sobczyk] That is why I am for letting some "fresh blood" in export activity. However, this should be done wisely.

In "Varimes"—and here I am answering industry's accusation—a significant part of the profit which we attain from trade activity is passed on to manufacturing plants in the form of low interest credit for the modernization of export production.

We are trying to enter into long-range partnership contact with industry. This is characterized by, among other things, our mutual search for possibilities of expanding exports. We are helping enterprises in the restructuring of their production; we establish contact with leading foreign companies, transfer funds for concrete investments, and we foster the continuation and effectiveness of cooperative ties.

The profit margin which we collect is relatively small: 4 to 6 percent and only in some instances—10 percent. From this margin, we cover the operating costs of "Varimes" whereas we must turn over more than 80 percent of the profit to the national budget.

[Tomasz Szymanski] Is the interest of enterprises in exports growing?

[Andrzej Sobczyk] It is growing. The system of allowances, incentives, and priorities under conditions of enterprise self-financing has brought about pretty good results. However, we continue to be far from a satisfactory level. The process of the demonopolization of structures in industry is proceeding considerably more slowly than in foreign trade. For example, in the medical field, there are approximately 10 plants and each one manufactures a different kind of product. Therefore, in reality monopoly continues. When we break it, it will be easier to crush monopolistic activity in other areas of management as well, including in trade. It should also make export expansion easier.

[Tomasz Szymanski] However, there appears a specific barrier of the "starving" Polish market. How much to export; how much to leave for the needs of the country?

[Andrzej Sobczyk] This is a dilemma which has to be looked at from a longer perspective in time. After all, it is not a question of assuring an ample supply of goods only once but of making sure that the market is always well supplied. In order to develop, Polish industry needs foreign exchange. It may be obtained—I would like to remind about our debts—only through exports. The earned funds—if they will be wisely invested—should in time increase production. There will be more for the country and for exports.

However, the most difficult to solve is the problem of the export sale of products of which there is a severe shortage in the country. We have such a situation at "Varimes." It concerns certain surgical and dental instruments which we are selling to, among others, Yugoslavia. However, from that country we obtain, among other things, blood transfusion kits whose shortage is even more acutely felt in our country.

Therefore, the hierarchy of need must decide about exports and imports under the current conditions of a "starved" market. The crux of the matter is to define it [hierarchy] accurately.

9853/9604

Lodz Plant Appeals Closing Order

26000215d Warsaw RZECZPOSPOLITA in Polish
25 Jan 88 p 2

[Text] T... Plants in Lodz have filed an appeal with re... information about the closing of one of the plants... "Delta" Knitting Industry Enterprises in Lodz. The city office explains that on the 5th of this month, the knitting industry plants in Lodz were ordered by the decision of the Department of Environmental Protection, Water Management and Geology of the Lodz City Office to discontinue the operation of the boiler-room of plant "C" of this enterprise located in Lodz at ul. 22 Lipca 65. This decision was made upon public recommendation and that of national councils in

connection with the failure of the plants to install furnace exhaust gas cleaning devices (that would eliminate the noxious fumes of this boiler-room which are a threat to the environment).

This decision, in accordance with the binding Polish law, is not as yet legally valid because the plant has filed an appeal to the minister of environmental protection and natural resources in Warsaw. Therefore, because the decision is being appealed, it cannot be executed.

9853/9604

Changes to Law Regulating Polonia Firms Require Specific Goals

26000194a Warsaw ZYCIE GOSPODARZE in Polish
No 5, 31 Jan 88 p 8

[Article by M.K.K.: "A Need for Stability of Principles"]

[Text] Discussions continue concerning the need for amending the July 1982 law governing the establishment of foreign firms in Poland. Recently, PRON [Patriotic Movement for National Rebirth] (see ZYCIE GOSPODARZE, No 2, 1988) expressed its opinion on this matter. Its position is in accordance with the views stated in a lengthy work by Tadeusz Kaminski, (Footnote) (Tadeusz Kaminski, "Foreign Firms Involved in Light Industry in the Polish Economy, So-called Polonia Firms." The study was prepared for the Polish Economists Congress in Krakow [November 1987]) chairman of Interpolcom. We can discern three trends in this work. The first indicates that a pragmatic point of view blocks its own way with problems.

First Gap

It is well-known that it was strictly taboo until the 1970's to try to attract foreign capital to Poland, and propaganda discredited it by driving out the exploratory attempts made by this capital. This subject also did not exist in economic textbooks. It was not until 1976 that a decree was issued granting permission for the establishment of foreign firms limited to owners of Polish descent. Its chief meaning was based on creating an opening, the main problem being the restrictions on the scope of activities of foreign firms to handicrafts, internal trade, food and hotel services, and therefore limiting them to areas which in the author's opinion, for the most part, do not justify the quest for foreign capital. The real development of the Polonia firms, as the foreign firms would be referred to colloquially, only came about following the 1982 law concerning "Regulations on carrying out business in Poland in light industry by foreign persons who are legally and physically entitled to do so." In the years 1967-79 18 enterprises were established, 60 firms in 1980-81, and 181 in 1982, with the best year being 1983 with 232 firms established. After this regression set in.

Granting the enterprises more advantageous legal-financial terms than those given to domestic industry (a 3-year income tax exemption, 50 percent income tax, and resale of 50 percent of hard currency constituting the difference between revenues from exports and expenditures for imports, and the lowest possible amount of hard currency investment) should be seen as a mistake because it has resulted in frustration for domestic industry and negative opinions concerning the dealings of these firms, formulated on the basis of irregularities or pure jealousy. Foreign firms frequently have become synonymous with economic pathology, and their disastrous influence was then exposed in a manner disproportionate to the size of their participation in the economy. The authorities reacted nervously, which was successful in preventing the investment of substantial capital in Poland.

Already in August 1983, barely a year after the issuance of the law, the fundamental principle of the stability of the laws was broken. For foreign capital this always represents a test of the intentions of government authorities. In the spring of 1985, additional changes in the law were implemented simultaneously changing the executive regulations. Conditions for establishing new firms worsened, brought about by stricter financial criteria. Income tax was raised to a level of 80 percent, something which was unheard of for foreign investment capital. In addition, a 50-percent resale of gross hard currency revenues was established, that is without subtracting expenditures for imports. In addition, the system of licensing manufactured goods was restricted, and depreciation allowances were changed to an undesirable level.

As a result of these changes, foreign firms turned to simple production involving little processing which would bring in high profits necessary to pay for the extremely high taxes. The strict conditions for reselling hard currency discourage cooperation abroad and imports geared towards export production. Quick reaction to market indicators was made difficult and the principles for depreciation allowances limited investment in machine stock modernization.

Tadeusz Kaminski writes that because of inappropriate and irrational regulations in Poland the foreign capital brought into the country has been forced to create foreign industry which is similar to domestic industry in terms of technological and production levels, and making it impossible to create on a larger scale the modern firms which would solve actual technological, export, and market problems.

In 1986 adoption of the law governing the establishment of partnerships with foreign participation was interpreted by the foreign firm owners and in the foreign economic circles of those interested in investments in Poland as the distribution of foreign capital by the authorities for bigger and better (partnerships), as well as small and inferior ones. In reality, however, there are no

such differences. Up until now, the partnerships established frequently use less capital than Polonia firms. The terms of the new law are more advantageous than those of the 1982 law with its later added amendments.

Why the Need To Attract

The circuitousness of government politics has prompted the author to remember what the reason for bringing in foreign capital is based on.

Traditional forms of foreign trade have lost their development momentum. Capital and industrial cooperation and the economic bonds created because of it on an international scale facilitate the maintenance of its position on world markets, without even mentioning the gradual improvement of this position of which they are an indispensable condition. Experience indicates that nations which will take advantage of capital influx are in a position to overcome historical backwardness and establish themselves on international markets.

The goal of capital cooperation with the West should constitute an undertaking which ensures the transfer and development of modern technology. The use of highly processed materials in manufacturing improves their competitiveness worldwide.

The influx of modern management techniques and organization of production allows for increased productivity and thus overcoming export sales barriers. The undertakings should also ensure the completion of suspended investments and management of unutilized production capabilities in areas of production where profits are growing rapidly. The use of Polish raw materials and semi-processed goods, use of scrap material, and the management of especially difficult areas also constitute these goals. The supplementing of poor market selection with goods of international quality is important, and also goods for which there is an unsatisfiable demand.

Statistical data testifies to the fact that Polonia firms can promote innovativeness in the economy. In 1986 they made use of 34 patents and licenses, of those 6 were foreign, 12 were Polish, and 16 were their own. Their term of introduction was from 6 to 13 months, and therefore not very long.

For example, the Hydrochem firm introduced 4 patents from the Kozalin Polytechnic and the Wrocław Agricultural Academy in the area of anti-corrosion protection in the installation of water pipes. For their achievements in this field they were awarded second prize by the minister of construction. Approximately 30 enterprises accepted and managed the uncompleted construction-assembly investments in industry and agriculture. Several dozen enterprises specialize in utilizing industrial waste materials, especially from the textile and chemical industries, scrap metal, wood scraps, as well as leather scraps.

The most interesting goods manufactured by foreign firms, sometimes exclusively in RWPG [Council for Mutual Economic Aid] countries are medical as well as electrotechnical equipment. For example, it is worthwhile to mention the sluices used to clean individuals going to dust-free areas, laser devices, or electronic computer subassemblies, unique technology and production of poultry meat products, so-called health foods permitted for export to EWG [European Common Market] countries.

As evident, the regulations will determine whether or not positive examples of allocation of production in government priority sectors and the justification of the quest for foreign capital will be in accordance with the regulations.

General Directions of Change

The third trend in the study deals with these. Future regulations should be competitive with respect to those in effect worldwide, especially in other socialist countries. Currently they do not fulfill this condition, and the danger exists that foreign capital in search of attractive locations will overlook Poland. The author postulates both a change in the 1982 law and the 1986 law governing foreign partnerships. In his opinion, changes in the first of these should have priority, since several hundred firms are already operating on this basis despite the obvious shortcomings and other problems caused by the regulations.

Since we demand that foreign capital achieve selective material goals, such as superior technology and exports, systemic solutions designed to administer the influx of foreign capital should be objective. Financial goals should be secondary, and the taxation system should necessitate both technological and modern production, as well as all possible export production, discouraging simple production.

A concessionary policy for foreign firms should be subordinate to supra-departmental central authorities otherwise it cannot be in accordance with the nation's developmental strategy. The current scattering of decisions throughout departments and all the provinces contributes to organizational chaos, and satisfying branch and regional interests of government administration units is done at the cost of the government's goals. The author proposes that guidance and supervision of foreign capital be subordinated directly to the Council of Ministers Presidium and the investors themselves should be organized into mandatory associations in Interpolcom, the Industrial Chamber of Commerce, so as to be able to currently observe the development of a new sector, obtain experience, and ensure a suitable influx of information for the government administration.

The regulations should broaden the scope of activities of foreign firms, since the application of fiscal policies toward foreign capital derived from policies designated for handicrafts results in the fact that foreign capital is invested in simple production, in the handicrafts industry which requires a low investment outlay. All sense of restriction of activity for this capital is lost because of the precedence of the goal of establishing modern production and export development. Therefore, it is not important whether foreign capital enters into partnership with whatever economic entity in the country, or begins economic activity independently. It would be necessary to create the conditions for the establishment of partnerships with limited responsibility, joint stock companies and banks with their own capital or mixed capital, which would selectively attract foreign financial sources depending on the terms. The regulations would have to allow for the transfer of dividends, but only from highly processed production. This type of institutional form would prevent the dispersal of capital and investment efforts.

The regulations cannot restrict the constant input of modern technology, production means, and necessary raw materials, as well as semi-manufactured goods by foreign firms, since otherwise they will succumb to technological stagnation and will cease fulfilling the role designated for them in the economy. Therefore, businessmen in Poland should encourage foreign firms to develop worldwide cooperation.

The division of export hard currency funds between a foreign firm and the government should be on a net basis, following calculation of the costs of hard currency expenditure. Otherwise, the foreign manufacturer will lose the stimuli for development of foreign cooperation, which will influence modernization. The principles governing depreciation allowances should allow for authentic replacement of the production assets of the firms, so as not to hinder investment processes.

The right climate for activity will also decide the success of the outlined changes in the laws governing the quest for foreign capital. Awareness of the administration's reluctance or public opinion can prevent the foreign investor from entering the Polish market, despite attractive legal and fiscal regulations. Nothing is more conducive to an atmosphere of rebuilding than the feeling of stability of the laws.

12229/12232

Economists Hold Round-Table Discussion on Reform, Restructuring in Bloc Countries, USSR
26000227 ZYCIE WARSZAWY in Polish
6-7 Feb 83 pp 1, 7

[Discussion by Michal Dobroczyński, Maciej Perczyński, Ryszard Michalski, Marek Dabrowski, and Dariusz Rosati, prepared for print by Zdzisław Zaryczny: "Economists on Reforms in the Socialist Countries: What Is Changing, What Do We Want To Change"; first three paragraphs ZYCIE WARSZAWY introduction]

[Text] The year 1988 looks to be decisive for the tempo and direction of further reform in the socialist countries. We can expect important political decisions since national party conferences, including the all-union CPSU conference and the Yugoslav and Hungarian party conferences, will be held. A PZPR conference is also planned. Many questions and doubts, dilemmas and alternatives associated with radical transformations, sometimes called "a revolution without a shot," should find their resolutions both in theory as well as in practice.

Since we desired to consider some of the questions jointly, we invited several economists representing different generations, different backgrounds, and different views to our editorial offices. The most important theme of the discussion concerned the possible scenarios for the development of the reform, their political prerequisites, and also the differences and similarities of reform efforts in the socialist countries.

The participants in the discussion were Dr Marek Dabrowski of the Institute of Economic Sciences of the Polish Academy of Sciences, Prof Michal Dobroczyński of Warsaw University, Dr Ryszard Michalski of the Institute for the Study of the Business Cycle and Prices, Prof Maciej Perczynski of the Polish Institute of International Relations, and Doc Dariusz Rosati of the Main School of Planning and Statistics. Zdzisław Zaryczny represented the editors and prepared the discussion for print.

Michal Dobroczyński: We have to begin with the simplest questions: What is changing? What do we want to change? Small changes, reforms are always being made in the world. There is no economy, there is no mechanism that cannot be improved. This is the way it has been and is today. But what is happening in the socialist countries does not consist of small changes. It is radical or even, as Gorbachev says, a revolutionary departure from what has proved to be wrong. In other words, from the economic model that came into existence in the USSR at the end of the 1920's and has maintained itself in the socialist countries until now, in spite of all the modifications.

How do we know that it is wrong and why only now? From the international scale of comparison. Comparing our achievements, and they undoubtedly exist, in spite of everything, with the achievements of economies based on other mechanisms, we see that progress has at the very least not been up to general expectations. Indeed, there was a time when the decided majority of our society expressed satisfaction with the increase in the material standard of living. The problems of hunger, huddling on the streets, illiteracy, etc., have ceased to exist. But this satisfaction has ceased. There is also no way of pushing the costs of progress onto other social groups; let us say to develop industry at the cost of

agriculture, a higher standard of living for the urban areas at the cost of the rural areas, etc. In brief, we have noted that the king is naked....

Maciej Perczynski: It is no accident that socialism was at one time very successful. At some point, however, the political conceptions on which the social and economic transformations were based ceased to respond to the demands of reality. We suddenly noticed that the previous model of socialism was no longer effective, that we were regressing, that others were passing us....

Objective indicators arose that new people had gained an opportunity to implement a new conception. I believe that if it were not Gorbachev, it would have been someone else. Certainly his dynamism, character traits make everything move more quickly, but the major directions of change have been and are determined by what is objectively necessary.

Ryszard Michalski: We have adopted the view that one can reform *ad libitum*, without end. A peculiar conception of constant, permanent reform, never ending change. On the other hand, economic reform in the socialist countries is frequently identified with returning to market mechanisms to the greatest degree possible. In my opinion, this is an abuse of the concept of reform. This is why I hold Janos Kornai in such high regard; he is the only specialist I know of who has been bold enough to admit that for him reform means a return to the regulating, organizing role of the market in the economy.

One can say that every innovation not just in economics that affects the philosophy of the economy, established principles and rules, permissible or inadmissible rule of the game, which in other words changes the range of the so-called systemic factors, forces a new, political economy with different contents, different goals, applied through different instruments—this is precisely reform. If we adopt such a criterion then we have a lot of movement in the socialist countries now. We are in the course of introducing another round of innovations that can be called a great reform.

The first was the experiment with war communism in the USSR, the second was the use of the New Economic Policy mechanism. An undoubted reform with unfortunately long-lasting effects that as yet have not been completely overcome was the stalinist introduction of the mechanism of centralized economic planning. And finally, in recent years we have seen an attempt to build a market planning mechanism into the socialist economy.

I have not given these examples without reason. They show that the socialist economy and more broadly socialism is capable of change, is an order that can be reformed, that it is plastic.

I want, however, to emphasize that the reform of the economic system has always been forced by crises, by defeats. Not by successes! In some ways this is understandable: since it works, why change anything? Not only the rulers think this way, the ruled do, too....

Marek Dabrowski: If we move away from journalistic generalizations to analysis of specific reforms, then it turns out that it is very difficult to establish their authorship. On the one hand, we have politician-promoters. On the other, authors of intellectual measures. Usually it consists of some larger group of individuals in which a process of gradual growth and diffusion of certain ideas occurs. We have executives who frequently decided the success or failure of reforms. And finally there are those who popularize them.

Meanwhile, in Poland one encounters opinions that Michail Gorbachev taking over the position of general secretary of the CPSU Central Committee caused an acceleration of the reforms. Some western commentators even think that all the reforms in the socialist countries are an imitation of Gorbachev's actions. Reality is, however, more complex.

For example, Hungary and Poland began implementing reforms earlier, on their own, according to their own dynamics and with their own mistakes. It is hard to speak of imitation of Soviet models here. Parenthetically speaking, the USSR is also making use of our, better or worse measures; for instance, the institution of "goszakaz" is a copy of Polish Government contracts. Undoubtedly, however, the changes in the Soviet Union have an important psychological influence on the internal relation of political forces, and probably more in Poland than in Hungary, and as a result great significance for the further course of the reform.

Dariusz Rosati: As history shows, ideas of reform in the socialist countries can appear as a result of external pressures on the authorities or they can come into being within the authorities, within state and party leadership circles. The objective premises of reform grow with the deepening of the contradictions and weakening of the dynamics of development, which does not always accompany awareness of the possible effects of these negative phenomenon. The degree to which awareness of the crisis reshapes itself into ideas of reform usually depends on the scale of these contradictions.

The traditional model for managing a socialist economy and the whole traditional model of socialism are marked by strong centralization. Any attempt to reform, as we are speaking practically of only one type of reform introduced in recent years, must be associated with greater or lesser decentralization or a giving up of a portion of the power by the party or political-state leadership.

No one gives up or shares power willingly. The intensity of the threat to the stability of the system, and an appropriate awareness of these threats, must be sufficiently great to incline the leadership to compromise and share the power in its possession, for example, by making enterprises independent, allowing independent political forces. Once in a while there is even a change in the leadership group, and in the worst cases, as happened in Poland, social disturbances.

I want to emphasize that all democratizing reforms, strengthening the independence and self-management of the enterprises, have an obvious pro-market character. Their scale and range, however, varies from country to country. Perhaps, China, and also Hungary and Poland, have advanced the most in restoring market mechanisms at this time. I would also draw attention to Bulgaria, which relatively speaking, has made the greatest, most radical transformations. It is the only country other than Poland in which the central command plan has ceased to exist.

Ryszard Michalski: Attempts to reform the economic system in each of the socialist countries have their distinct roots and are responses to what has happened in their economies and their environments. The scale of the problems that the individual countries have encountered, the national characteristics, the demographic factors, political traditions, rate of inflation, the size of the debt, etc., varies. I would be afraid to transfer mechanically any model, any reform ideas.

Many of the specific characteristics of the development of the economic situation in the socialist countries can be explained by answering the question, who learns faster, who sees further and deeper, who is able to propose bolder changes—society or the ruling group? Societies learn more quickly, however, in spite of the fact that contemporary sociology emphasizes that large innovations are introduced by minority groups, enlightened elites. It is an illusion to think that large social groups carry out changes in the economy effectively. In any case, I see a paradox here.

Frequently, when we say 'authority apparatus' associations with conservative opponents of the reforms come to mind. But in recent years there has been a far-reaching polarization of views and attitudes in the authority apparatus. Undoubtedly there are enlightened people in the apparatus who have noted the need and opportunity for themselves in reforming the economy.

Maciej Perczynski: One can identify both the supporters and opponents of the reform with relative ease. On the basis of actions, declarations, views voiced, we see where the forces supporting the new development tendencies are gathering. At the present moment in the majority of the socialist countries, these forces are associated with the intellectual elite or in general the intelligentsia. In these circles, support for reform is the greatest. It is not

surprising, for it is in them that new ideas are born, and for now, unfortunately, we are in a phase of the development of programs and conceptions.

I see the opponents in the bureaucratized administration used to old methods of operation and the privileges associated with their political position. It is perhaps less open in its declarations, but very dangerous in its actions, for it can paralyze and frequently does paralyze innovative actions. Nevertheless, although we cannot ignore this group, it is not the most dangerous one.

The greatest threat, I believe, is inertia, doubt, and frequently apathy by the great majority of society including the working class. I do not believe that it is possible to make genuine changes, if this situation is not improved. This great apathetic, wary collectivity will surely join the active supporters of reform, if it sees the first positive effects of the reform efforts. We know, however, that the effects cannot come quickly. And time is passing. I am afraid then that a possible drop in trust in the transformations caused by economic difficulties, price increases, inflations can weaken the social base of reform.

Dariusz Rosati: Are you not yielding to an overly Polish-centered view?

Maciej Perczynski: This is how it is everywhere! Is great enthusiasm for reform visible in the masses of Soviet workers today?

Dariusz Rosati: But we are surely not dealing with apathy!

Maciej Perczynski: In any case, with an insufficient social involvement and faith in success. In the Soviet Union, they certainly will handle the bureaucracy but stimulating social energy, new thinking, enthusiasm....

Ryszard Michalski, Professor, the bureaucracy consists of 18 million people!

Maciej Perczynski: Right! It is a powerful wall which cannot easily be penetrated. The opportunity will arise when the working class and the masses of society begin to think in new categories and are authentically convinced that they are going in the right direction. I, however, do not have any such feeling neither in reference to Polish conditions nor for other countries.

Michal Dobroczyński: The fact is that the vast majority of socialist societies do not really know what will come of the reforms. The sense of change is too frequently identified with what prices will be, the standard of living, etc. This, too, can lead one astray. Specialists have calculated that if, for example, the USSR could increase its rate of growth from 3.5 to 5 percent that this would cause an increase in wages of just a few rubles, which

obviously is not an imposing improvement! I think that the basic problems are associated rather with the place of democratization in society's awareness, with what people expect from it.

The Stalinist model was introduced using force, consulting no one. We remember how it was introduced in Poland at the end of the 1940's; for example, in the course of 6 months nearly all of the private workshops and stores ceased to exist. No one sought society's agreement, no one asked anyone for their opinion. On the other hand, in democratic conditions in order to restore a sensible economy one must carry out complicated socio-technical maneuvers. One must consult, organize a referendum, listen to public opinion. As you see, it is easier to create an irrational system than a rational system. At least in our history.

This is related to the next issue which is worth mentioning. Namely, it is said that we are departing from using ideology in our economic mechanisms and in our political economy, which is true to a large degree. But in my opinion, the problem lies not in a departure from ideology but in a transformation of this ideology which explains the sense of the current reforms from the political and moral point of view. But then we must, however, state clearly that the model created in the 1920's had nothing in common with genuine socialism in many cases.

Ryszard Michalski: Other than dogmatists who obviously tie their legs together, I would like to draw attention to the failures of a thinly conceived socio-technology. It consists of attempts to replace genuine economic achievements and improvements in society's living standards with apparent reforms in the sphere of politics. I dare say that such substitutions simply cannot be allowed. One cannot assume that since the economy is bad that we will give people more democracy, more opportunities to express themselves....

In my opinion, it is a question of something else, of control over the economy. I must admit that I do not see any radical changes here. The ruling group still judges that only it has the right to control the economy in the traditional sense, i.e., by personnel policy, distribution, etc. If, however, nothing changes, then we shall still be dreaming of reform for several decades. This is the most important issue, I repeat, allowing social control of the economy!

We must honestly tell society, that the economy is bad, in part, because the previous forms of wielding economic power have become outmoded, are ineffective, inefficient. In view of this, we should resign, for example, from political criteria for personnel selection, allow non-party specialists to participate in management. By transferring control of the economy to society in this

manner, the ruling party in spite of appearances only strengthens its position. Understanding this crucial question has great significance for accelerating the process of reform.

Dariusz Rosati: The history of the reform in Poland as in other socialist countries is the history of the overthrow of a series of dogmas. Just a few dozen years ago, we did not imagine departing from central command planning. It was impossible to think of convertible-currency bidding or the presence of foreign capital. We have reached the point then where we can openly ask: how far can the reform go? Where is the qualitative boundary?

It is time to free ourselves from the traditional way of looking, identifying certain characteristics observed at a certain stage of history with the essence of socialism. We thought, for example, that central command planning, in spite of it being only a characteristic of a definite stage, was the essence of socialism. But this is not true! It is also possible to maintain the socialist nature of an economic system operating on the basis of a non-command central plan. . . .

A socialist economy should ensure high productivity and a just distribution; this is the most important and basic fact. If we put the question this way, then even ownership relations become derivative. The qualitative boundary of the reform is outlined by two criteria. Up to this point we can move forward and not attach excessive attention to particular ownership regulations, institutions, etc.

Marek Dabrowski: At this time in the majority of the socialist countries we are dealing with a movement, with an attempt to change the current system, but without a programmed goal. In association with this, it is difficult to evaluate the prospects and boundaries for the reforms undertaken.

The relation to creating a market economy is a separate question. Such a proposal is dear to me. But attempts to find such a system that would not be a market system or approximate a market one and that would not be a command-directive system or another mutant of such a system, however, are still continuing in theory and practice. Personally, I think that such efforts are unproductive. I see no way to create an enduring and efficient intermediate economic model.

We could also ask: is it possible to turn an economy into a market economy without reprivatization on a broad scale? The currently fashionable view points to the inevitability of reprivatization and attempts to rationalize a socialized economy are condemned to failure in advance. As far as I am concerned, I think that so far all possibilities, theoretical or practical, for rationalizing the non-private sector have not been exhausted. I would be careful in making categorical judgments here. Certainly, however, the current conception for organizing state ownership is outmoded, and it is necessary to search for new, far-reaching

measures. I would support a broadly conceived pluralism of ownership forms both collective, non-private and private ones, including participation by foreign capital.

An essential question concerns the ability to convert an economy to a market system under a single-party political system. Here I would distinguish two concepts. Democracy, or the influence of society on the exercise of authority, is one thing; and freedom in the sense of economic and civic freedoms is another thing. In order to convert an economy to a market system, it is precisely the range of these freedoms that must be enlarged. . . .

The system for exercising authority must be pragmatic in nature and not cultivate an ideology inimical to a market. The question remains, however, whether Poland or any other country in Eastern Europe will be able to break the resistance of anti-reform groups associated with the current system for exercising authority without allowing political and social articulation by those groups interested in a market model. Will the authorities in these countries have the interest and sufficient strength to make a market-oriented reform without democratization? . . .

It is frequently thought, perhaps correctly, that Poland's drama lies in the objective antipathy toward economic and political reform of the social groups on which the authorities' apparatus is based. And in turn those groups that might support reform are not inclined to support the authorities' apparatus. I think this revealed itself clearly during the referendum. Similar phenomena, to a greater or lesser extent, can be observed in other socialist countries.

Michal Dobroczyński: As an authentic understanding of the joint economic, civilizational, etc., goals grows in the societies of the socialist countries, a new phenomenon is appearing, a growing separateness and independence of the individual socialist countries. Never has the significance of identity and sovereignty been so strongly emphasized as now. I think that there are healthy, positive elements in this phenomenon. The more different directions in which we search, the more it will be possible to adapt positive things from others. The reforms are converging. . . .

Our goal is the maximum productivity and justice. That system will win that is the most productive and the most just, in which there is more freedom. All this demands time obviously, but thinking about the future I am an optimist. I would emphasize that each success of the socialist countries in this area will be our joint success.

We should also remember the new philosophy of international relations, which is so strongly accented now in the USSR, that sees the need for broad cooperation, joint decision, and joint responsibility on a global scale. This applies especially to security problems, in part the protection of the environment and human health, but it must also apply to economic cooperation. Unfortunately

in this area the socialist countries occupy last place; we account for around barely 9 percent of world trade and totally minimal percentage of capital movements and license agreements.

Thus, we must join in the process occurring in the world to an increasingly greater degree, participate in the division of labor, including its newest forms, the place of the most developed countries. This will be unusually difficult, if we retain old economic mechanisms. Resigning from old dogmas in as many areas as possible, this is what can bring our system success!

As regards specifics: how and in what form will our system crystallize? I think that it will differ not only from what exists in Poland at this time, but probably from our wildest dreams of its possible shapes. . . .

13021

Consumer, Preservation Society Join Forces
26000216i Warsaw RZECZPOSPOLITA in Polish
21 Jan 88 p 2

[Text] The Main Administration of the Nature Conservation League, as well as the National Council of Consumer Federations signed an agreement governing nature conservation cooperation. The advancing deterioration of the environment was noted in a document, and obligates political and administrative authorities to undertake urgent and specific activity designed to check the existing situation.

12229/06662

Farm Machinery Production Grows, More Trade Expected
26000228c RZECZPOSPOLITA in Polish 5 Feb 88 p 5

[Unattributed report: "The Market for Agricultural Machinery: Instead of Directives, Commerce"]

[Text] The value of the agricultural equipment shipped last year was 185.5 billion zloty. In many assortments of machinery the needs were met completely; there was also a clear improvement in supplies of spare parts.

Their shipments were systematic enough that there were no breaks in any of the agricultural campaigns. There was more demand than supply only for tractors and combines of all types, trailers, sprayers, milking machines, rotary mowers, and loaders.

Production of equipment last year was protected by an operational program. What the market for agricultural machinery will look like this year was the subject of a press conference on 4 February 1988 at the Agroma Enterprise for Sales of Agricultural Machinery.

"The operational program was replaced by government contracts," said Czeslaw Stygar, chief director of Agroma. The command mechanisms of last year have been replaced by economic stimulants.

There are reasons to predict continued normalization of the market for agricultural machinery. One of the sources of this normalization is the higher prices this year for tractors and agricultural machinery, however, market stability achieved at such a cost should begin with time to bear fruit in an improvement in the quality of the machinery and an improvement in the conditions for purchasing them.

Aware of the direction of these changes, the Agroma Enterprise is undertaking several organizational efforts to improve its service for its clients in which it sees correctly an opportunity to improve its own economic performance. Undertakings of this kind will aim to promote supply and demand. This will be achieved by entering into partnerships with the producers, broadening the range of operation of Agroma with sales of machinery for forestry, land improvement, and storage of agricultural products, undertaking sales of used machinery, improvement of repair service. Computerization of the basic operations of Agroma and a shift to a so-called no-contract system of sales will enable it to reduce its current reserves (up to 100 billion zloty) by half. It will also allow achieving further improvement in supplies of spare parts.

In brief, gradually commerce in agricultural machinery will become true trade instead of being frequently distribution through influence of deficit goods. This year all levels of the state administration will cease maintaining balances and making distributions of agricultural machinery; the trade apparatus will take over completely (decision of the Council of Ministers of 4 December 1987).

13021

Electronics Industry Company Registered
26000215b Warsaw RZECZPOSPOLITA in Polish
30-31 Jan 88 p 2

[Text] On the 29th of this month, the Regional Court for Warsaw-Praga registered the "Elpol" company. This is a company whose membership includes enterprises involved in the production of subassemblies and final products for the electronics industry. It [Elpol] intends to implement the program agreed upon several years ago of electronically equipping the national economy.

9853/9604

VHS Cassettes Produced in 'Stilon' Plant
26000215c Warsaw TRYBUNA LUDU in Polish
23-24 Jan 88 p 1

[Text] The "Stilon" Synthetic Fiber Plants in Gorzow Wielkopolski have begun the production of video cassettes in the VHS-Pal/Secam system.

The cassettes with the "Stilon" symbol present an average world level. They are produced in 3 lengths: 120 minutes, 180 minutes and 240 minutes, and in 3 grade categories: standard (basic), high grade (higher), and super high grade (highest).

9853/9604

Soldiers Continue Agricultural, Forestry Aid
26000216b Warsaw TRYBUNA LUDU in Polish
11 Jan 88 p 2

[Text] Stanislaw Zieba, minister of agriculture, forestry, and food industries, in a discussion with a PAP reporter, noted, among other things, that in 1988 approximately 10,000 LWP [Polish People's Army] and MSW [Ministry

of Internal Affairs] soldiers will be working on behalf of the agriculture, forestry, and food industries ministry in 16 provinces and state forests. A decision was made that by the end of the first quarter unit commanders would conclude specific agreements with the provincial authorities as to the place and scope of work, housing conditions, as well as establish essential technical means for carrying out the planned work. Good planning will ensure more efficient utilization of the soldiers' help. Also being examined are the needs of agriculture and the capabilities of the LWP and MSW in widening the scope of assistance with other than existing activities especially concerning the modernization of fishing ponds as well as the construction of lime fertilizer mines.

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